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Student protesters scattering Friday after Indonesian troops fired tear gas and water cannon in Jakarta.

6 Dead on a Bloody Night in Jakarta

Students Clash Again With Police as Parliament Endorses Reforms

By Seth Mydans
New York Times Service

JAKARTA — Students, thugs and soldiers fought pitched battles in the streets of Jakarta on Friday night as Parliament adopted a series of decrees intended to muddle this suffering nation toward a more democratic future.

At least six people were killed and scores were wounded as well-ordered soldiers and riot policemen fired volley after volley above and directly into throngs of demonstrators and into the grounds of a university.

For hours, as Parliament voted to hold general elections next spring and to begin a series of reforms, the streets were filled with shouts and screams and gunfire and tear gas in the worst violence since the riots that helped bring down President Suharto last May.

The gunfire echoed off the glass walls of tall office buildings that — along with the violence itself — are among Mr. Suharto's legacies.

"I am sorry for my country," said Eky, a student journalist. "This is brutal, too brutal. I don't understand why the military is doing this."

There was no clear explanation for the harsh tactics of the security forces. Jakarta was filled with rumors Friday of a possible coup involving the military and civilian opposition politicians that might have used the protests as a pretext.

For their part, the students — joined by a rabble of young men from nearby slums — seemed driven by an unrelenting anger over the abuses of the Suharto years and an impatience with the deliberate pace of Parliament.

"They want things fast," a Western diplomat said, as he watched the demonstrators Friday. "They are sick of being poor. They are sick of being at the bottom. And they don't want to wait any longer."

But as the violence continued into the night, it took on a visceral aspect, a bitter struggle between enraged demonstrators and enraged soldiers and police officers.

"The students are crazy now," a plainclothes security officer muttered to a reporter. "Maybe because since the afternoon they have nothing to eat. And

the police are the same. They have gone crazy, too."

Foreign diplomats paced the streets with cell phones to their ears, reporting the action to their embassies. They said they were angered and shocked by what they were seeing.

"What's the game?" said one of them. "What's the objective of this military operation? To wound the students? The kids are inside the campus now. The shooting should stop."

At one point, six truckloads of riot

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U.S. Urges Iraq to Yield And 'End This Crisis'

Baghdad's Defiant Mood: 'They Can't Control Us'

A Fresh Effort by Saddam To Avoid Attack Is Rebuffed

By Howard Schneider
Washington Post Service

By Brian Knowlton
International Herald Tribune

BAGHDAD — Beneath the gently sloped and gilded arches of one of the city's central mosques, cradling the hilt of a sword in his right hand, Sheikh Bakar Samarrae told hundreds of Iraqi faithful Friday not to worry about American or British bombs that might fall on their country in coming days.

Their dignity as a people, in standing up to the United States and standing against more than seven years of economic embargo, is more important than death, he said, and there is no one to fear but God.

"The U.S. must listen to our call. We are a nation. We have dignity. We are fighting for that," Sheikh Samarrae said in a speech at Friday prayers that at once reflected the almost accepting tone many in this city have adopted toward a possible U.S. military strike as well as the determination seemingly set by President Saddam Hussein to make this current stand against world trade sanctions the last.

"If they attack us, we are Muslims. We are not afraid. Just of God," he said.

"They can't control us. They can't guide us."

That mood was echoed in other mosques around the city at the start of the Muslim weekend and in the comments of merchants, shoppers, tea vendors and their customers along busy Al-Fatih Street, where the routines of daily life continued without pause even as, in other parts of the world, steps were being taken in prelude to a possible military assault.

The Iraqi president halted all cooperation with United Nations weapons inspectors two weeks ago, precipitating the current crisis and earning the condemnation of many Arab and other nations that, particularly in the past few months, had begun seeking ways to ease the isolation of Iraq.

The threat of military action against Iraq is being taken seriously enough that the UN on Friday charged an office in Geneva with planning for the possible migration of Iraqi refugees to neighboring countries, identifying food and other resources that could be moved to the region.

"The UN simply wants to be prepared, but not to panic," said Hans von Spoeck, the head of UN humanitarian efforts in Iraq.

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WASHINGTON — As an air and sea armada converged on the Gulf region, President Bill Clinton said Friday that President Saddam Hussein of Iraq still "has it within his hands to end this crisis" by resuming full cooperation with United Nations arms inspectors.

The Iraqi leader made what appeared to be a last-ditch effort to avert a U.S. attack, saying his country was open to diplomatic initiatives if they were coupled to certain "just and balanced demands."

Iraq has called for a comprehensive review of UN sanctions linked to a timetable to lift them.

The White House curtly dismissed Mr. Saddam's suggestion.

"There's nothing new in what he's saying," said Joe Lockhart, the White House spokesman. "There's nothing new, and nothing positive or productive in his recycling the conditions" — conditions that Mr. Lockhart described as "nonstarters."

Separately, Secretary of State Madeleine Albright said that if Iraq does not "reverse course" and resume cooperation with UN inspections, it will "face the consequences."

Although there were signs that a U.S. attack on Iraqi targets was still several days away "no further warnings are needed," Mrs. Albright said.

In a sharp warning that the United States does not expect the current regime in Iraq to last indefinitely, she also said, "We look forward to working with a post-Saddam regime" and, under new authority granted by Congress, "will step up involvement with opposition groups."

Mr. Lockhart added: "We are willing to work with the opposition groups. We do look forward to a day when we can welcome Iraq back into the international community."

Mr. Saddam was quoted by the official Iraqi News Agency as having said that "Iraq will accept positively any initiative that meets these just and balanced demands." He did not elaborate.

U.S. officials have said repeatedly in recent days that there is no room left to negotiate. But they have also said that Mr. Saddam can end the crisis by opening his country again to

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Brazil Gets \$41.5 Billion to Prop Up Economy

By David E. Sanger
New York Times Service

WASHINGTON — After months of negotiations, the International Monetary Fund and more than 15 wealthy nations announced Friday a package of loans to Brazil totaling \$41.5 billion to stabilize the country's economy and avert a financial crisis.

The IMF, which will contribute \$18 billion to the package, said \$37 billion of the total would be available to Brazil over the next 12 months if needed.

The United States will be the largest single bilateral contributor with a \$5 billion loan, and European Union countries said they would provide \$7.55 billion. The World Bank and Inter-American Development Bank will contribute \$4.5 billion each.

The U.S. contribution constitutes the biggest commitment of taxpayer funds to a foreign economic

crisis since the bailout of Mexico in 1995. The money will come from the Exchange Stabilization Fund, which is under the control of Treasury Secretary Robert Rubin and can be disbursed without congressional approval.

Leading industrial nations will back up the loan agreement with credits worth \$14.5 billion, the IMF said.

Michel Camdessus, the organization's managing director, said the program's primary goal was to deal with Brazil's "chronic" public sector deficit and spur private creditors to "act to help ensure its success."

U.S. private banks and other major lenders to Brazil, who will be among the biggest beneficiaries of any plan that stabilizes the economy, will not contribute directly. Under pressure from the U.S. government, however, they are expected to maintain or expand credit they had been extending to Brazil

until Russia defaulted in August. The move comes four months after a Russian bailout that turned into a financial debacle, wasting \$4.8 billion in IMF funds and touching off a panic among investors who then pulled their money from other emerging markets, including Brazil.

As a result, the success of the Brazil bailout carries considerable risks for both the IMF and the Clinton administration, which have increased the size of the loan package by nearly 50 percent in recent weeks.

Mr. Rubin said Friday that the Clinton administration's decision to participate "reflects our commitment to strengthen the international financial system, guard against financial market contagion and protect America's economic interests."

President Bill Clinton issued a brief written statement lauding the agreement, which he called an

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Clinton Gains New Freedom In Dealing With Saddam

By Joseph Fitchett
International Herald Tribune

PARIS — In its latest showdown with Baghdad, the Clinton administration has acquired a much freer hand by overcoming fears among key allies such as Saudi Arabia and France, minimizing objections from Russia and forging broad international acceptance of military action against Iraq.

The Security Council and the world have made it crystal clear now that this is unacceptable, that none of us can tolerate an Iraq free to develop weapons of mass destruction with impunity," Mr. Clinton said Friday, referring to the decision two weeks ago by the Iraqi leader, Saddam Hussein, to halt weapons inspections. That consensus would make it easier for the United States to spell out tough conditions if Baghdad backed down.

Unfettered air strikes by the United States have gained more support than in previous crises partly because the Clinton administration's determination has not been challenged this time by Saudi Arabia, France and Russia. All three governments' reluctance to back U.S. military force undermined Washington in previous showdowns.

Just yesterday, his own neighbors made it clear that this choice is his alone and the consequences his alone if he fails to comply," Mr. Clinton said, citing warnings from eight Arab leaders to Mr. Saddam about the need to resume arms inspections.

The outspoken statement was a major diplomatic boost for U.S. action. Similarly, key European countries have publicly cast Mr. Saddam as the culprit and avoided any public second-guessing about U.S. moves or last-minute diplomatic overtures to Baghdad.

That political solidarity is all the

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A Solution for Schroeder?

Lafontaine in EU Job Could Relieve Chancellor

By John Schmid
International Herald Tribune

FRANKFURT — German leaders were unable Friday to halt speculation, fascination and anxiety over the prospect that Bonn's ambitious finance minister, Oskar Lafontaine, could fill the top job in the European Union.

Confirming rumors that stunned Europe this week, a senior German official said Friday that he had met with a French government minister and broached the idea of installing a German as president of the EU Commission when the job opens in 2000, effectively elevating Mr. Lafontaine overnight into the position of candidate in the eyes of diplomats and commentators.

If Mr. Lafontaine were to become the head of the European Commission, it would relieve Chancellor Gerhard Schröder of the perception that his finance minister is challenging him for authority over his own government.

During an election night, when Mr. Lafontaine stood next to Mr. Schröder and thanked voters for putting their "trust in Gerhard Schröder and me," Mr. Lafontaine has made little effort to conceal his desire to dominate policy in the new government.

For a second day, the chancellery denied that was proposing Mr. Lafontaine for the EU job.

There is nothing to it," said Uwe-Karsten Heye, Mr. Schröder's spokesman. Mr. Lafontaine, who also dismissed the rumor, endured opposition barbs in Parliament for making himself a "lame-duck finance minister."

Mr. Lafontaine's attempts to expand the powers of the Finance Ministry and install his own loyalists in the cabinet have forced Mr. Schröder to suffer the image of a weakened leader. Der Spiegel, arguably the nation's most influential news magazine, this week ran a cover headline: "Where is Schröder?"

If he goes to Brussels, Mr. Lafontaine almost certainly would be forced to give

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Chancellor Schröder listening to Mr. Lafontaine at the Bundestag.

Divided and Distracted, APEC Prepares to Meet

By Michael Richardson
International Herald Tribune

KUALA LUMPUR — As the Asia-Pacific Economic Cooperation forum prepares to admit three new members on Saturday, before heading into its annual summit meeting next week, the group appears more divided and distracted than at any time since it was formed in 1989.

Such disarray and unimpressive leadership, analysts say, could hardly come at a worse time for the group, which was established to knit together politically and economically diverse countries on both sides of the Pacific. Many of the previously turbocharged economies of

East Asia are reeling under the impact of deepening recession, rising unemployment, shrinking investment and drastically weakened companies and banks.

These regional problems, and their potential for worsening the fragile global financial system, challenge APEC to "adopt a vigorous set of timely, concrete actions to address the crisis," Jane Skanderup, assistant director for programs and development at the Pacific Forum CSIS think tank in Honolulu, said Friday. "If not, APEC is in serious danger of becoming irrelevant."

With the addition of Russia, Peru and Vietnam on Saturday, the organization's 21 members will have, according to 1997 figures, a total combined gross domestic product of \$14 trillion, accounting for about 58 percent of world income and 47 percent of world trade, officials say.

Yet as APEC has become larger, it has also become more unwieldy and fractious. It is now deeply divided over whether open markets are a help or a hindrance in the current crisis, with the world's two largest economic powers — the United States and Japan — lining up on opposite sides of an increasingly bitter and damaging debate.

The U.S. trade representative, Charlene Barshefsky, said Friday that Washington was growing increasingly impatient with Japan on a number of issues, including its resistance to full participation in an APEC fast-track trade liberalization package.

"We had an exceptionally blunt set of interchanges," she said after a meeting with the Japanese trade minister, Kaoru Yosano.

Later, Ms. Barshefsky accused Japan of using aid money to try to buy support for its protectionist position.

"Japan has gone round the region offering assistance in the form of money to countries willing to back away from the initiative," she said. "Japan is actively discouraging countries from lib-

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A New Indictment Of a Clinton Friend

WASHINGTON (AP) — The independent counsel, Kenneth Starr, secured a new indictment Friday against a friend of President Bill Clinton's and sent evidence to House impeachment investigators involving allegations by Kathleen Willey that the president made a crude sexual advance toward her in the Oval Office in 1993.

A federal grand jury in Washington charged Webster Hubbell with 15 felony counts, accusing him of lying and engaging in fraud during banking regulators' probe of many of the original Whitewater allegations. Page 4.

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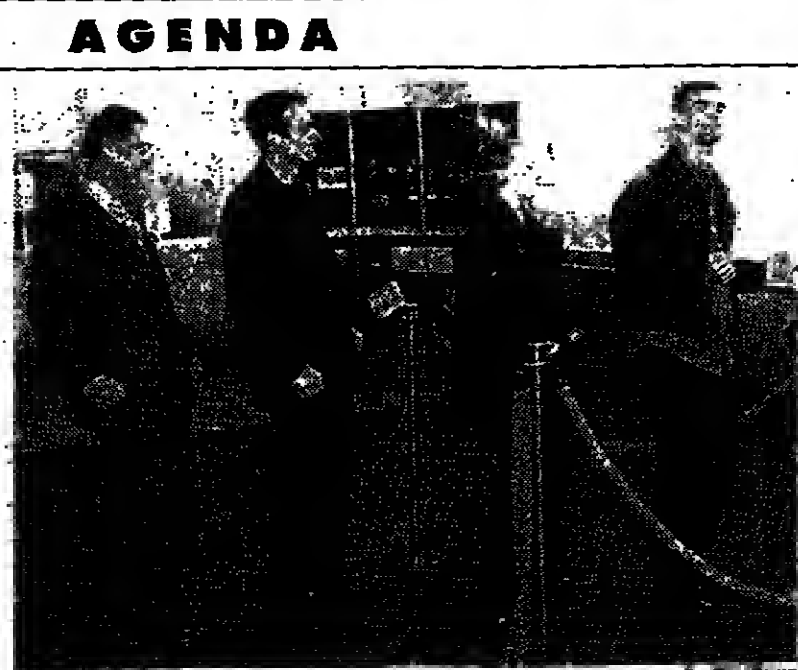
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The IHT online — www.ihf.com



DRESS REHEARSAL — Celebrating his 50th birthday, Prince Charles, left, re-enacted a scene from the movie "The Full Monty" at a party Friday at the Prince's Trust in Sheffield. The movie, about unemployed male Britons who become strippers, was made at the site.

Newstand Prices

	1,000 BQ	Meta	58 c
Bahrain	1,000 BQ	Meta	58 c
Cyprus	1,000 BQ	Meta	58 c
Denmark	1,000 BQ	Meta	58 c
Finland	1,000 BQ	Meta	58 c
France	1,000 BQ	Meta	58 c
Germany	1,000 BQ	Meta	58 c
Greece	1,000 BQ	Meta	58 c
Great Britain	1,000 BQ	Meta	58 c
Italy	1,000 BQ	Meta	58 c
Japan	1,000 BQ	Meta	58 c
Korea	1,000 BQ	Meta	58 c
Russia	1,000 BQ	Meta	58 c

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Anwar Sues Mahathir, Challenging Dismissal

King Not Told Beforehand, He Charges

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — Anwar Ibrahim, Malaysia's ousted deputy prime minister, filed a lawsuit against Prime Minister Mahathir bin Mohamad on Friday, challenging the legality of his dismissal from government.

Mr. Anwar said that the prime minister did not advise the king, as required by the Malaysian Constitution, before dismissing him as deputy prime minister and finance minister on Sept. 2.

The new case could keep Mr. Anwar's plight in the spotlight just as leaders from both sides of the Pacific arrive in Kuala Lumpur next week for an Asia-Pacific Economic Cooperation forum meeting. His trial on sodomy and corruption charges, which began two weeks ago, has been suspended for the duration of the meeting, from Saturday to Wednesday.

"You don't sack someone and inform the king," Mr. Anwar's lawyer, Karpal Singh, said outside the courtroom where the lawsuit was filed. "Sacking is in the hands of the king on advice, of course, from the prime minister."

In the suit, Mr. Anwar said his appointment as minister by the king had "not been lawfully revoked."

"Accordingly, I am still minister in the Malaysian cabinet," he said.

Although clearly a technicality, Mr. Anwar's lawsuit may resonate among the country's royalty, some of whom remain bitter toward Mr. Mahathir for reducing their powers several years ago.

Mr. Mahathir removed immunity from prosecution for the country's nine sultans and stripped the king, Tunku Ja'afar ibni Abdul Rahman — whose role is largely ceremonial — of the right to delay the signing of bills that have passed through Parliament.

Mr. Karpal, who is one of the country's best known lawyers as well as an opposition member in Parliament, said Mr. Mahathir had eight days to respond to the suit after it was served.

Before political and economic turmoil struck the country, Malaysia had hoped the APEC meeting would be a showcase for the fruits of a decade of rapid economic growth: the Petronas Towers, which are the largest buildings in the world, Southeast Asia's largest airport, and a host of other infrastructure projects that have transformed Kuala Lumpur into a world-class capital.

Instead, Malaysia's urban fears have been overshadowed by its turbulent political landscape, the recent memories of Mr. Anwar's beating in prison and the violent crackdown on street protests.

Mr. Anwar's trial will resume Nov. 23. Seven of 52 prosecution witnesses have taken the stand so far.



Prince Norodom Ranariddh, left, listening to Prime Minister Hun Sen on Friday outside the Royal Palace in Phnom Penh, after the two leaders wrapped up discussions that resolved a three-month political deadlock.

Cambodia Rivals End Political Impasse

The Associated Press

PHNOM PENH — Rival political parties in Cambodia broke a three-month deadlock Friday and agreed to form a coalition government that leaves Hun Sen as sole prime minister.

King Norodom Sihanouk announced the compromise, which will make his son — Prince Norodom Ranariddh — president of the National Assembly.

The deal could pave the way for international donors and businesses to begin operating again in Cambodia.

"The major political crisis in the country has been resolved, and the political deadlock facing the nation has also come to an end," King Sihanouk said.

Prince Ranariddh announced his intention to join the coalition on Thursday before he returned from Thailand.

Mr. Hun Sen's Cambodian People's Party has 64 seats in the 122-member

chamber elected in July, short of the two-thirds majority needed to form a government alone. Prince Ranariddh's party and the opposition leader Sam Rainsy held back their support, claiming the Cambodian People's Party had won by fraud and intimidation.

The issue of who should hold the powerful position of assembly president was a main sticking point in months of discord.

Mr. Hun Sen's finally party dropped insistence on a joint assembly chairmanship shared by Prince Ranariddh and Chea Sim, the current speaker and leader of the Cambodian People's Party.

Instead, the king announced, the constitution will be modified to create a new Senate, which Mr. Chea Sim will head. Mr. Chea Sim will continue to serve as acting head of state during the king's frequent absences from the country.

The parties will decide later how many Senate seats there will be and how they will be divided, and the king initially will appoint the members.

The Senate will serve a mostly advisory role to the assembly, said Pok Than, a negotiator on behalf of Prince Ranariddh.

The agreement came quickly following Prince Ranariddh's return from Thailand, where he had been holed up with other opposition figures for weeks amid fears for their safety if they stayed in Cambodia.

Former battlefield enemies, the two parties have been at loggerheads since Mr. Hun Sen's party narrowly won the parliamentary elections. The vote failed to put an end to instability that followed Mr. Hun Sen's ouster of Prince Ranariddh as co-prime minister in a bloody coup last year.

Italy Arrests Kurd Leader, Long Sought By Turkey

Reuters

ROME — The fugitive guerrilla leader of the Kurdistan Workers Party has been arrested in Rome, the Italian police said Friday.

A police spokesman said Abdullah Ocalan, sought by Turkey for two decades, was detained at Fiumicino Airport at around 10:00 P.M. on Thursday after flying to Rome from Moscow on a false passport.

"He was arrested with the intention of his being extradited," the spokesman said.

Mr. Ocalan, also known as "Apollon," has spearheaded a campaign for autonomy in southeast Turkey for the last 14 years during which more than 29,000 people have died.

The Russian Foreign Ministry declined to comment on the report that Mr. Ocalan flew from Moscow.

Migren Sen, a European spokeswoman for the political wing of the Kurdistan Workers Party, said Mr. Ocalan had gone to Italy to request political asylum.

The Italian police declined to disclose the whereabouts of Mr. Ocalan, who is believed to be around 50 and who asked for political asylum in Russia earlier this month.

On Nov. 5, one-third of the Greek Parliament renewed an invitation to Mr. Ocalan to visit Greece, calling him "the leader of the world's most oppressed people."

In October, Turkey threatened Syria with military force if it did not expel Mr. Ocalan, who Ankara said had taken refuge in the country. Turkish authorities said Mr. Ocalan used bases in Syria to launch attacks in the southeast.

The capture of the rebel leader will be seen in Ankara as a major coup against the Workers' Party. "Italy should extradite Ocalan back to Turkey," the interior minister of Turkey, Hasan Denizlioglu, told the Kanal D television channel.

BRIEFLY

India and Pakistan Agree on Bus Link

NEW DELHI — Passenger bus service between India and Pakistan will begin in a matter of weeks, Pakistani and Indian officials said Friday after emerging from the most successful talks so far on normalizing relations.

The bus service was a rare point of agreement to emerge from six days of talks that ended with a Friday meeting between Culture Secretary R.V.V. Ayyar of India and his Pakistani counterpart, Syed Rostan Zamir.

For the most part, issues ranging from cultural ties to military exchanges on a Himalayan glacier revealed the gap between India and Pakistan, which both tested nuclear weapons in May. Their main dispute is Kashmir, over which the countries have fought two of their three wars.

Visits between the countries have been restricted by visa refusals and the fact that most trips have to be made by air, too expensive for many. The two sides also agreed to consider granting more visas and arranging sports and cultural exchanges. A spokesman for the Pakistani Foreign Office, Tariq Altuf, predicted bus service would start by the end of the month, after such points as security and taxes are settled. (AP)

Kim Rules Out Talks With North Korea

BEIJING — The president of South Korea on Friday ruled out any immediate government negotiations with North Korea in what appeared to be a tempering of his "sunshine policy" to expand contacts with Pyongyang.

"The time is not yet ripe for direct contacts between the governments of

South and North Korea," President Kim Dae Jung said at a news conference in Beijing. "But we hope to continue promoting civilian and economic exchanges."

As recently as Oct. 1, Mr. Kim issued a call for bilateral talks with Pyongyang, saying the door to dialogue was "wide open." He did not elaborate on the apparent shift in attitude but said that despite recent "positive" gestures by Pyongyang, the North continued its military provocations against Seoul.

"There are still some things which we are not at all happy to see," he said, citing the June discovery of a North Korean submarine off the east coast of South Korea and the September launching of a multistage rocket over Japan. (Reuters)

Canadian Province Sues Tobacco Firms

VANCOUVER, British Columbia — The legal war over smoking spread to Canada on Thursday when British Columbia became the first Canadian province to sue the tobacco industry over the health-care costs of cigarettes.

"This is an historic lawsuit that starts British Columbia down the road to addressing the problems caused by smoking," said Ujjal Dosanjh, the attorney general in British Columbia.

The action is modeled on lawsuits filed by 40 states in the United States and accuses Canadian cigarette makers, their international parent companies and several smaller U.S. firms of a conspiracy to cover up the dangers of smoking.

The three largest cigarette-makers in Canada immediately filed their own suit against British Columbia and said they would fight rather than settle what they termed a "cash grab" attempt by the province. (Reuters)

Roman Cabbies Roar at Freeing of Fees and Hours

By Alessandra Stanley
New York Times Service

ROME — Ask cabbidriviers in Rome if they like their jobs, and the uniform reply is an operative screed about the petty bureaucratic rules, clogged traffic, high cost of gasoline and dearth of clients.

But when the mayor of Rome proposed allowing drivers to set their own prices and hours, the answer was a series of strikes that culminated in a four-day citywide work stoppage by taxi operators. On Thursday, hundreds of striking cabbidriviers parked in Piazza Venezia in the heart of the city and oiled the mayor's office, blocking all traffic.

"This is dictatorship, dictatorship, dictatorship," Carlo Bologna, head of the strike committee, said.

Mr. Bologna, who has taken to using the nom de guerre Spartacus, said the changes would overwork and would impoverish drivers. He wore a sling on his right hand, injured during a speech Wednesday when he pounded a desk that turned out to be marble, not wood.

Drivers went back to work Friday but left open the option of resuming the strike. And after a nightlong debate, the city council passed a resolution liberalizing working hours and tariffs, the

mayor's office announced.

Mayor Francesco Rutelli proposed that cabs continue to use a meter to set maximum limits but that drivers be allowed to decide whether they want to waive or lower a drop charge, as well as other extras like a \$3 night charge and baggage fees, to compete for customers. Though there will be a minimum tariff, the city council did not determine it.

Italian taxis are costly even by the standards of other European capitals and New York. The drop rate on the meter starts at \$2.80 in Rome, compared with \$2 in New York and \$2.40 in Paris. Roman taxis, which do not cruise, can almost never be hailed. Customers line up at taxi stands or summon a cab by telephone. The meter starts running when the driver accepts the call, not when they pick up the fare.

Mr. Bologna said the city government was to blame for not taming notoriously clogged traffic. Roman taxi rates soar in stalled traffic, according to city officials, when the charge rises to 50 cents a minute, compared with 20 cents in New York.

The mayor had further infuriated cabbies by saying they should set their own schedules and suggesting that family members be allowed to put in hours driving.

"He wants us to get our wives and children to drive the cab, but my 23-year-old son is about to graduate with a degree in biology," said Giancarlo De Montas, 57, a 33-year veteran of the trade whose own father was a cabbidriver. "I made sacrifices so he wouldn't have to do this job."

The city council resolution allows for shifts varying from a minimum of six hours to a maximum of 24. They now are limited to seven-and-a-half hours.

Walter Tocci, deputy mayor of Rome and its traffic commissioner, said the city had acted only after the Italian antitrust commission determined that Roman cabbidriviers operated as a kind of cartel.

"Healthy competition can only help consumers and drivers," Mr. Tocci said. "I'm not a Communist, and even if I were, I wouldn't believe that the rules of Adam Smith apply to every economic sector except taxis."

TRAVEL UPDATE

Train Drivers Plan 4 Eurotunnel Strikes

LONDON — Drivers on Eurotunnel trains carrying cars and trucks under the English Channel threatened Friday a series of one-day strikes before Christmas to support their demands for higher pay.

A union that says it includes 96 of the 99 train drivers voted overwhelmingly to hold 24-hour strikes on Nov. 23 and Dec. 2, 9 and 15. Eurotunnel Group, the tunnel operator,

raised its peak 1999 summer round-trip fare 27 percent to \$279 (\$466), to boost revenue after duty-free shopping ends in June. (AFP, Bloomberg)

Paris Museum Closed

PARIS (AP) — The Musee d'Orsay remained closed Friday for the fourth successive day as personnel voted to extend their strike, complaining about working conditions, officials said.

Employees seek a bonus of 1,000 francs (\$200) for "inconveniences" at the museum of Impressionist art.

British Tabloid Closes the Closet Door

By Sarah Lyall
New York Times Service

LONDON — On Monday, The Sun, the most popular daily newspaper in Britain, printed a front-page editorial warning that Britain was being run by a cabal of gay men and urging gay members of Parliament to come out of the closet as quickly as possible. On Tuesday, it printed a photograph of Agriculture Minister Nick Brown, who had been identified publicly over the weekend as gay, wearing an unflattering regulation

blue hair net on a tour of a dairy farm.

But Thursday, in the midst of a countrywide debate over homosexuality, public office and the right to privacy, The Sun made perhaps its boldest move of all: It changed its mind.

It said that it had a new policy: It would no longer reveal the identity of any gay man or woman, except in cases of "overwhelming public interest."

What's more, it said, it made the decision, which flies in the face of relentlessly anti-gay reporting and editorial-writing over the years, because of a profound sea change in public opinion.

"Our readers are tolerant of private behavior and find unwarranted intrusion offensive," the paper said, going on to make an unusual (for its pages) plea for even more tolerance. "We hope our declaration will encourage gays to feel more at ease," it said.

In a perfect world, their

sexuality would then cease to be an issue.

To supporters of gay issues, the announcement was a long-overdue sign that even the most stubbornly anti-gay segments of the British news media were beginning to change.

"It's the most extraordinary example I can remember of the press suddenly realizing that they've been left behind by their readers," said Benjamin Bradshaw, a Labor member of Parliament who is openly gay. "The Sun has historically been the homophobic tabloid, the one that hated gays, and now they've completely flip-flopped. The tabloids are usually so good at judging their own readership, but they've completely lost it on this."

Jane Reed, a spokeswoman for News International, parent company of The Sun, said she could not explain the turnaround at the paper.

The Sun editorial came after a series of strange events. First, the cabinet secretary for Wales, Ron Davies, resigned after being beaten and robbed at a park known for being a gay cruising area. Then Matthew Parris, a political columnist, announced during a television interview that Trade Minister Peter Mandelson was gay — something Mr. Mandelson had never publicly disclosed. And then Mr. Brown, the agriculture minister, learning of an ex-lover had given a salacious interview to a Sunday newspaper, announced publicly that he was gay.

The remark on television by Mr. Parris, who happens to be homosexual and a former Conservative member of Parliament, was seen as a gaffe of such proportions that the BBC banned all mentions of Mr. Mandelson's sexual orientation on its stations.

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The remark on television by Mr. Parris, who happens to be homosexual and a former Conservative member of Parliament, was seen as a gaffe of such proportions that the BBC banned all mentions of Mr. Mandelson's sexual orientation on its stations.

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WEATHER

Europe									
Country	High	Low	High	Low	Country	High	Low	High	Low
Algeria	20/11	12/5	20/11	12/5	Spain	18/11	10/4	18/11	10/4
Austria	14/11	5/0	14/11	5/0	Sweden	12/11	4/0	12/11	4/0
Belgium	14/11	5/0	14/11	5/0	Switzerland	12/11	4/0	12/11	4/0
Denmark	14/11	5/0	14/11	5/0	Turkey	18/11	10/4	18/11	10/4
France	14/11	5/0	14/11	5/0	U.K.	12/11	4/0	12/11	4/0
Germany	14/11	5/0	14/11	5/0	U.S.	18/11	10/4	18/11	10/4
Greece	18/11	10/4	18/11	10/4	Yugoslavia	12/11	4/0	12/11	4/0
Ireland	12/11	4/0	12/11	4/0					
Italy	18/11	10/4	18/11	10/4					
Netherlands	12/11	4/0	12/11	4/0					
Norway	12/11	4/0	12/11	4/0					
Poland	12/11	4/0	12/11	4/0					
Portugal	18/11	10/4	18/11	10/4					
Romania	12/11	4/0	12/11	4/0					
Russia	12/11	4/0	12/11	4/0					
Slovakia	12/11	4/0	12/11	4/0					
Slovenia	12/11	4/0	12/11	4/0					
Spain	18/11	10/4	18/11	10/4					
Sweden	12/11	4/0	12/11	4/0					
Switzerland	12/11	4/0	12/11	4/0					
Turkey	18/11	10/4	18/11	10/4					
U.K.	12/11	4/0	12/11	4/0					
U.S.	18/11	10/4	18/11	10/4					
Yugoslavia	12/11	4/0	12/11	4/0					

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FINLAND	FIM	6.240	2.100	67%
FRANCE	FFR	1.240	390	68%
GERMANY	DEM	1.120	350	69%
GREAT BRITAIN	GBP	2.240	700	69%
HONG KONG	HKD	15.000	4.800	68%
ITALY	LIT	26.000	8.200	68%
JAPAN	YEN	208	65	69%
KOREA	WON	1.040	320	69%
NORWAY	NOK	9.360	2.900	69%
SINGAPORE	S\$	1.040	320	69%
SPAIN	PTA	15.000	4.800	68%
SWEDEN	SKR	1.040	320	69%
SWITZERLAND	CHF	1.040	320	69%
USA	\$	75	25	67%

First Female Speaker? Dunn Tries to Get Close ...

By Edward Walsh
Washington Post Service

WASHINGTON — Some of her friends have long seen Representative Jennifer Dunn, Republican of Washington, as the likely first female speaker of the House of Representatives. But that was speculation that Ms. Dunn did not engage in — not as long as her close ally, Representative Newt Gingrich, Republican of Georgia, occupied the speaker's office.

Now that Mr. Gingrich has announced that he will leave the speakership and Congress, Ms. Dunn has decided to gamble her own leadership post for the chance to move within a step of fulfilling her supporters' prophecy.

Ms. Dunn, vice chairman of the House Republican Conference, is challenging the majority leader, Representative Richard Armitage, Republican of Texas.

The move has placed Ms. Dunn in the hot seat of taking on one of the great sports heroes of her constituents in the upstate suburbs east of Seattle: Representative Steve Largent, Republican of Oklahoma and the former Seattle Seahawks' star wide receiver in the National Football League, who is also challenging Mr. Armitage.

Ms. Dunn, 57, has long been seen as one of the Republicans' best hopes for broadening their appeal to women, and that is one of the arguments she makes in campaigning to be majority leader. "We have an opportunity now to put before the people of the United States a panel of faces that can be as broad as the spectrum within the Republican Party," she said in announcing her candidacy on Monday.

Representative George Nethercutt, also a Republican of Washington and



Representative Jennifer Dunn.

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Representative George Nethercutt, also a Republican of Washington and

one of her closest friends in Congress, said Ms. Dunn "respects the principles of the Republican Party and I think will be effective in presenting those principles in a broader way rather than a narrow way."

Although Congress is in recess, Ms. Dunn remained in Washington on Friday, continuing to lobby her colleagues by phone. Heading into the majority leadership showdown on Wednesday, Mr. Armitage was widely seen as having the most support among the three announced candidates, although his aides acknowledged that they are unsure he will have the necessary majority of 112 votes to win election on the first ballot.

If a second ballot is required, the low vote getter will be eliminated as the top two face off.

Ms. Dunn honed her political skills during 11 years as the Washington state Republican chairman, the first woman to hold that post. But her first election to Congress, in 1992, came during a disastrous year for Washington Republicans, who lost every other important race in the state. While Washington state politics remain volatile, her seat appears safe. She won re-election last week with 58 percent of the vote.

Ms. Dunn was born in Bellevue, the daughter of a prominent commercial real estate developer. Her mother is a

descendant of the wealthy Gorton family and she counts Senator Slade Gorton, another Republican of Washington, among her distant cousins.

The divorced mother of two grown sons, Ms. Dunn has a solidly conservative voting record, earning 100 percent ratings from the American Conservative Union and the Chamber of Commerce.

But while she is a fiscal conservative, her mixed voting record on abortion has angered some conservatives. Ms. Dunn does not favor outlawing all abortions and she supported U.S. participation in family planning programs overseas.

She is one of her party's most active and successful fund-raisers and has used her political action committee to funnel campaign contributions to other House Republicans.

When the Republicans took over the House in 1994, Mr. Gingrich rewarded Ms. Dunn by appointing her to the tax-writing Ways and Means Committee.

Earlier this year she considered but decided against a challenge to Senator Patty Murray, Democrat of Washington, who won re-election by defeating Representative Linda Smith, a Republican.

"I really love the House," Ms. Dunn said in 1997. "I hate to think of anything that would cause me to leave the House."

... But Largent Says, Throw It Out My Way

By Edward Walsh
Washington Post Service

WASHINGTON — When Steve Largent, a star wide receiver at the University of Tulsa, graduated in 1976, he was considered too small and too slow to make it in the brutal world of professional football.

Early in his rookie season, he was traded to the Seattle Seahawks by Houston, which asked for only an eighth-round draft choice in return. Nineteen years later, Mr. Largent was inducted into the Pro Football Hall of Fame.

With that background, nobody is underestimating Mr. Largent's challenge to the House majority leader, Representative Richard Armitage, Republican of Texas, for the second-ranking post.

From the moment that he was elected to Congress in 1994 to represent the Oklahoma district that includes Tulsa, Republicans have recognized the value of what they call his "star power" and his telegraphic good looks. Mr. Largent, 44, has responded by being a tireless campaigner and fund-

raiser for Republicans, especially other members of the class of 1994 who helped the party take over the House and who promised to revitalize the way business is done in Washington.

But for someone who is a product of what is arguably the supreme team sport, the one thing Mr. Largent has not always been is a team player.

He has clashed often with the outgoing speaker, Representative Newt Gingrich, Republican of Georgia, especially over budget and spending measures, and he has been openly critical of his party's leadership. He was a leading figure in the failed attempt to topple Mr. Gingrich last year.

In one widely reported 1997 incident, when Mr. Largent and 10 other Republicans derailed a spending bill and were called to a closed-door meeting to be berated by the angry speaker, it was Mr. Largent who spoke up for the group.

"You can't intimidate me," he told Mr. Gingrich. "I've had linebackers who wanted to kill me."

Mr. Largent grew up in a poor family in Oklahoma City. His father abandoned the family when he was a



Representative Steve Largent.

boy and his mother later married an alcoholic who moved the family frequently, finally settling in Tulsa. A deeply committed Christian con-

servative and outspoken critic of homosexuality, Mr. Largent is one of the House's most conservative members, earning a 100 percent rating from the American Conservative Union during his first two years in Congress.

Married and the father of four children, Mr. Largent had no political experience when he first ran for office and has said that he intends to leave the House after 12 years. He has proven adept in politics, winning re-election to a third term last week with 62 percent of the vote.

Mr. Largent was a fierce advocate of the "Contract With America," the Gingrich-inspired set of promises that drove the Republicans' successful campaign to capture control of the House in 1994. But after only two years in the House, he was already expressing disillusionment.

"We don't have a hold game plan," Mr. Largent said at the time. "You just get this creeping feeling that either people were not very serious about the 'Contract With America' and the 1994 election, or we're somehow sliding back to where we came in."

New Dinosaur Unearthed

Skeleton Shows 'Suchomimus' Was the Size Of Tyrannosaurus — With Jaws of a Crocodile

By Curt Supplee
Washington Post Service

WASHINGTON — From beneath the sand dunes of western Africa, fossil hunters have unearthed a previously unknown species of dinosaur: a 100 million-year-old predator the size of a city bus with huge, book-shaped thumb claws and a snout like a mutant crocodile.

At 36 feet long and 12 feet high (11 meters long and 2.8 meters high), with an estimated weight around 5 tons, *Suchomimus tenerensis* was at least as big as the average Tyrannosaurus. But its lifestyle was considerably different, as it presumably preferred a diet of fish.

It's a dinosaur trying hard to be a crocodile, said Paul Sereno of the University of Chicago, who led the international 15-person expedition that discovered the creature's remains in remote central Niger late last year.

The find adds a striking new specimen to a rare and mysterious splinter group of dinosaurs — the long-snouted, narrow-mouthed spinosaurs — of which only three fragmentary examples were known before Dec. 4, 1997, when an expedition member, David Varricchio, came across what looked like a spinosaur thumb claw.

It was just sitting there, "exposed over the course of centuries by wind and sand, waiting for anybody to discover it," Mr. Sereno said. If the rest was nearby, the world would "have a chance to see finally

what one of these strange, fish-eating predators looked like."

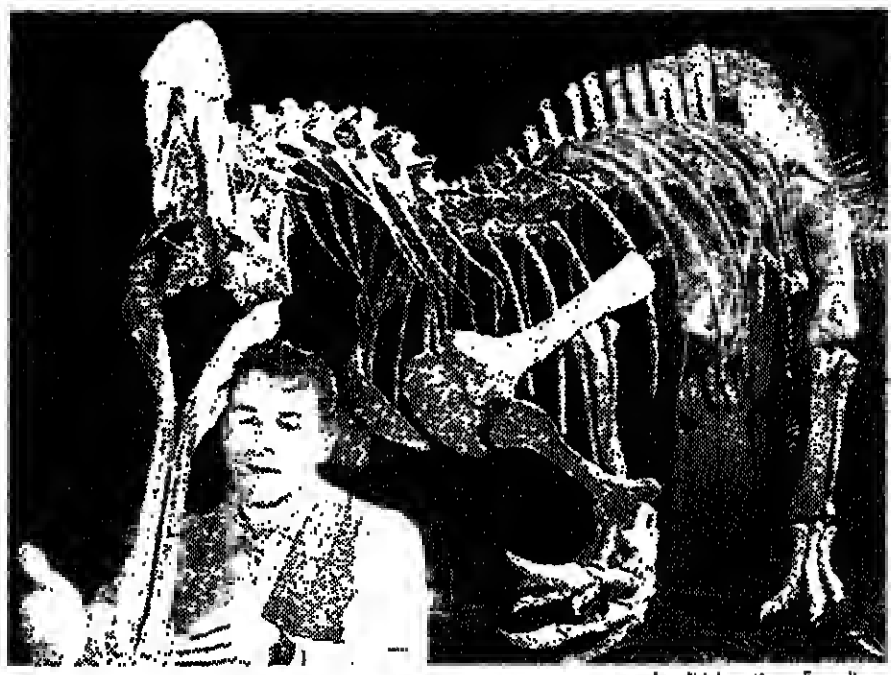
His group began digging. Dozens of tons of rock and dirt later, they had amassed 400 pieces of bone, yielding a 70 percent complete skeleton, including the hugely powerful four-foot-long forelegs with bones several inches thick and three claws on each limb. "That's the strongest forelimb of any predatory dinosaur," Mr. Sereno said.

The results, including a full-scale skeletal model, were displayed at a news conference at the National Geographic Society. The find is reported in the current issue of the journal *Science*.

Several tantalizing spinosaur fossils had been found in central Niger since the 1950s. Large expeditions, however, have been few. The Tenere Desert is one of the more forbidding landscapes on Earth, a bleak expanse of sun-parched migratory dunes and exposed rock strata.

But during the mid-Cretaceous period, when *Suchomimus* was flourishing, it was positively lush. *Suchomimus* "shared the environment with huge crocodiles, 50 feet long," Mr. Sereno said. "Their skulls alone are six feet long."

Suchomimus — from the Greek for "crocodile-mimic" — belongs to the familiar theropod group of bipedal carnivores that includes Tyrannosaurus and Velociraptor. It seems likely that *Suchomimus* and the three other known spinosaurs evolved long, thin mouths and conical teeth to snatch and hold fish or possibly small terrestrial dinosaurs.



Paul Sereno pointing out the long jaws of his 100-million-year-old predator.

POLITICAL NOTES

Washington State, Nonaffirmatively

SEATTLE — Now that Washington voters have approved the second ban on affirmative action in the United States, after a campaign as divisive as any the state has ever seen, the real ordeal begins.

With less than a month to dismantle policies that they have followed for decades, many officials sound uncertain, even defiant, about how to interpret the new law. If followed to the letter, it will affect hiring and contracting in every state, county and local government agency and admissions at every public university.

The University of Washington has announced that it will no longer consider race or gender as factors when choosing students, abruptly ending a strategy adopted in the 1960s. The measure, known as Initiative 200, passed with 58 percent of the vote. It prohibits "discriminating or granting preferential treatment" to anyone in Washington based on race, ethnicity or sex. It does not affect federal programs or private employers. (WP)

Democrats Weigh 3 Convention Sites

WASHINGTON — The field of possible host cities for the 2000 Democratic National Convention has been narrowed to Boston, Denver and Los Angeles. The Democratic National Committee's site-selection panel endorsed the three finalists by unanimous voice vote on Thursday, eliminating Miami, Minneapolis and New Orleans from consideration.

The Republicans last week chose Philadelphia for their convention in July 2000. The Democratic convention will be held in August 2000. Steve Grossman, the national chairman of the Democratic National Committee and a Boston native, and Governor Roy Romer of Colorado, the committee's general chairman, will pick a winner later this winter. (AP)

Quote/Unquote

Lewis Marletti, who is retiring as director of the Secret Service, on his new job as director of security for the National Football League's Cleveland Browns: "The Secret Service is about teamwork. Football is teamwork. The Secret Service goal is to preserve the American way of life. Football epitomizes the American way of life." (NYT)

U.S. Mideast Envoy Returns to Prod Both Sides

Jerusalem — Dennis Ross, the U.S. special envoy, returned to the Middle East on Friday to try to coax Israel and the Palestinians into keeping their own interim peace deal on track.

Mr. Ross had been planning his mission for more than a week, but his travel was delayed until Israel's cabinet approved the land-for-peace deal that was signed at the White House on Oct. 23 after nine days of U.S.-brokered negotiations.

Israel's cabinet narrowly approved that accord this week but attached a string of conditions that could undermine full implementation.

The conditions include a demand that, when it meets in mid-December, the Palestine National Council, the Parliament-in-exile, vote to scrap clauses in the 1964 Palestinian charter calling for Israel's destruction.

"It is not accurate to say that the PNC will meet to hold a vote on amending anti-Israeli

articles in the Palestinian National Covenant," said a spokesman for the Palestinian president, Yasser Arafat.

Mr. Ross will meet with Prime Minister Benjamin Netanyahu of Israel and Mr. Arafat during his stay, which a U.S. official said would last "a few days."

The mission coincides with mounting tension in the West Bank following moves by Israel to begin building more than 1,000 houses at a Jewish settlement site on the edge of East Jerusalem, the Arab quarter of the city.

The Israeli Army said it had imposed a curfew on a market area of the divided West Bank city of Hebron where a grenade was thrown at soldiers. The grenade did not explode, an army statement said.

In Nablus, Palestinian police officers fired shots in the air and forcibly dispersed demonstrators at a rally called by the Muslim militant movement Hamas to protest the new ac-

cord, according to witnesses. There were no reports of injuries.

Airport Near Opening

A Palestinian airport, a symbol of independence, is ready to open, the head of the Palestinian Civil Aviation Authority said Friday after an operations drill with Israeli officials, according to The Associated Press.

Yasser Arafat International Airport in the southern Gaza Strip was to have opened last week as part of the peace agreement. It fell behind schedule when the Israeli cabinet held up ratification of the accord by two weeks.

Mr. Netanyahu has said that the airport will start operating next week, but has not set a date.

On Thursday, Israeli and Palestinian officials staged a four-hour drill, said Payez Zeidan, head of the Palestinian Civil Aviation Authority.

Gerald Long, Who Transformed Reuters, Dies

By Sarah Lyall
New York Times Service

LONDON — Gerald Long, who as general manager of the Reuters news agency in the 1960s presided over its transformation from a hand-to-mouth wire service to a profitable, computer-age news organization, died in Paris on Nov. 8, Reuters said. He was 75.

When Mr. Long took over at Reuters in 1963, the agency was just breaking even, and Mr. Long soon determined that if it were to compete it would have to turn a profit and make itself truly international. "Reuters's central purpose is to achieve the highest standards of excellence in the provision of news services, and information and communications systems," he told the board. "To maintain this purpose, Reuters must be profitable."

Mr. Long was born in York, the son of a literary-minded mail carrier who encouraged him to pursue his education. After graduating from Cambridge, Mr. Long joined the army, where he was assigned to the intelligence corps and eventually sent to Germany to help set up German newspapers after the war.

He joined Reuters in 1948 and quickly rose up the ranks. In 1964, a year after he took the top job, Reuters signed a contract with an American computer company under which the company would provide computers, and Reuters would

provide information about the stock and money markets, to subscribers. The venture was wildly successful and made Reuters a major force in the dissemination of financial information to the world business community.

In 1967, the company made another bold move, setting up its own independent reporting arm and severing its cooperative ties with The Associated Press and Dow Jones, on which it had depended for news and financial information. Six years later, Mr. Long was made the managing director of Reuters.

Mr. Long left the company in 1981 and, after a brief and unsuccessful stint with the Times of London, retired to France.

Beriosova, Ballet Star, Dies of Cancer

LONDON (AP) — Svetlana Beriosova, 66, a ballet star who danced across many of the world's stages, died of cancer Tuesday.

A daughter of the Lithuanian ballet master Nicholas Beriozoff, Miss Beriosova was born in 1932 and grew up following her father as he moved to ballet companies throughout Europe and the United States.

Her own dancing career began in New York in 1941 when she appeared with Leonide Massine's Ballet Russe de Monte Carlo as Clara in "The Nutcracker." Her professional debut as an adult came in 1947 in "The Nutcracker" and "Les Sylphides" with Canada's Ottawa Ballet.

Miss Beriosova joined the Sadler's Wells Theatre Ballet, in London, in 1949, and remained with the company until her retirement in 1975.

Miles Pennybacker, 97, who helped start the Raytheon Company in 1925 and two years later founded Votac Tubes, a neon-tube manufacturing company, died Monday in Madison, Connecticut.

The Associated Press Is Returning to Cuba

HAVANA — The Cuban government has approved the reopening of The Associated Press bureau in Havana. Approval came from the Foreign Ministry during a visit here by a delegation of senior officials of the news agency.

Louis Boccardi, president and chief executive officer of the U.S.-based agency, said that it hoped to have the office open within weeks. The agency was forced to close its Havana bureau in 1969 when its last permanent correspondent was expelled.

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INTERNATIONAL

Starr Charges Former Aide Of Clinton's On 15 Counts

The Associated Press

WASHINGTON — The independent counsel, Kenneth Starr, secured Friday a new indictment against a friend of President Bill Clinton's and sent evidence to House impeachment investigators involving allegations by Kathleen Willey that the president made a crude sexual advance toward her in the Oval Office in 1993.

A federal grand jury in Washington charged Webster Hubbell with 15 felony counts, accusing him of fraud, perjury and "corruptly impeding" federal banking regulators' investigation of many of the original Whitewater allegations.

The charges, the third time Mr. Starr has accused the former associate attorney general of wrongdoing, carry a maximum of 110 years in prison and \$4 million in fines. The accusations include that Mr. Hubbell committed perjury before the House Banking Committee during Whitewater hearings that were televised nationally.

House impeachment investigators have been waiting to see what action Mr. Starr might take in the matter to see if it would affect their inquiry.

The first evidence concerning Mrs. Willey that was sent by Mr. Starr to the House Judiciary Committee does not amount to a formal referral accusing Mr. Clinton of wrongdoing, as the one Mr. Starr sent in September did.

Instead, it allows the committee to determine whether Mrs. Willey's allegation of sexual impropriety against the president should be included in the inquiry, according to sources familiar with the transcript of the hearing on the condition of anonymity.

The sources said that the new information included testimony of key witnesses and other evidence from the Willey investigation that had been left out of Mr. Starr's earlier referral, which accused Mr. Clinton of 11 offenses that Mrs. Starr contends are impeachable.

Mrs. Willey and several of her friends testified before Mr. Starr's grand jury. Mr. Starr has been investigating whether Mr. Clinton lied under oath when he denied making a crude sexual advance toward Mrs. Willey during a 1993 encounter in the Oval Office, and whether others tried to intimidate the former White House volunteer after she went public with her allegations.

By sending the Willey evidence to Capitol Hill, Mr. Starr may be signaling he plans no further action against possible targets in the investigation.

She later became a witness in Paula Jones's sexual harassment lawsuit against him and testified before the grand jury investigating President Clinton's relationship with Monica Lewinsky.

Mrs. Willey told her story publicly in an interview on CBS' "60 Minutes" last March in which she graphically described Mr. Clinton's alleged advance. The president has adamantly denied the allegations.

After months of focusing on the Monica Lewinsky inquiry in Washington, the new indictment harkens back to many of the original charges Mr. Starr spent four years investigating in Arkansas as he unraveled a complex web of transactions between the Rose Law Firm, where Mr. Hubbell and Hillary Rodham Clinton worked, and the failed savings and loan run by the Clintons' Whitewater business partners.

BRIEFLY

Peres Will Head Volkswagen Fund

BERLIN — Shimon Peres, the former prime minister of Israel, was named Friday to head a council overseeing a 20 million Deutsche mark (\$12 million) fund to compensate former slave laborers used by Volkswagen during the Nazi era.

The group, which met in Berlin, also includes former Chancellor Franz Vranitzky of Austria and the former president of Germany, Richard von Weizsäcker.

Distribution of funds was discussed, according to a statement by Volkswagen, but it did not say when payments would start or how much they would be. When announcing the fund last September, the car company said it hoped to begin distribution this year.

Volkswagen estimates 17,000 forced laborers worked in its factories between 1941 and the end of the war, although others say the number was much higher. (AP)

Support Is Voiced For Turkish Leader

ANKARA — The leader of the second party in Turkey's minority coalition said Friday that he would help Prime Minister Mesut Yilmaz fight off attempts to remove him from office over alleged government corruption.

"We have absolutely no intention of withdrawing from the government," Deputy Prime Minister Bulent Ecevit said.

His support does not guarantee the government's survival. Another crucial supporter of Mr. Yilmaz in Parliament, Deniz Baykal, withdrew his backing for the government earlier this week. (Reuters)



A man transporting containers in Baghdad on Friday. Iraqi citizens were stocking up on water and gasoline.

BAGHDAD: Used to Conflict, Iraqis Show Little Fear of Reprisal

Continued from Page 1

"The UN is doing this in a quiet way to get the act together."

All of the approximately 120 members of the UN weapons inspection team left Baghdad early in the week. They were followed by about three-fourths of the 200 Baghdad-based employees of UN food, health and other humanitarian programs.

UN employees in the Kurdish-controlled north remained, as did those in the south.

Though the arms monitoring program is in limbo, Mr. von Sponeck said, the remaining employees plus contractors are enough to run the UN oil-for-food program, inspecting the export of about 2 million barrels of oil a day from Iraq, and helping with the distribution of food, medicine and other humanitarian goods obtained with the proceeds.

That level of export represents the highest in years for Iraq, and though falling oil prices have depressed the value of the exports, UN officials say Iraq had begun to make progress in easing some of the health, nutrition and other problems that have plagued the country since the Gulf War.

Between the destruction caused by the war and the effects of the embargo, the

once relatively high standard of living in Iraq plummeted to levels on a par with sub-Saharan Africa.

Whatever improvements might be reflected in UN statistics, however, are not yet registering on the street, where there

There is a sense of genuine frustration with nearly 18 years of conflict and falling living standards.

was as much exasperation with the economic embargo as there was fear of a military strike.

In small tea-houses and among clusters of shoppers, no one said they had taken any precautions, such as buying extra food or trying to stockpile windows with masking tape, against a military strike.

Likewise, people typically agreed that Iraq has been left little choice but to stand up against the economic embargo.

Such unanimity of thought might be expected in a country where outside news sources such as CNN are tightly

restricted and the official media will, for example, trumpet a defiant call by Iraqi leaders for Arabs to unite but not mention that most Arab states in this case are united — in their condemnation of the Iraqi position.

Yet there is also a sense in their comments of genuine frustration with nearly 18 years of conflict and falling living standards, first during the decade long war with Iran, and then after the invasion of Kuwait.

With no hope in sight that sanctions would end soon if Iraq continued cooperating with the weapons inspectors, put in place to oversee the dismantling of biological, chemical and other weapons after the Gulf War, some on Alkifah Street said, Iraq's decision was logical.

"This is our right, to stop the co-operation," Kadum Ader said, a statement that drew murmurs of assent from the early afternoon crowd at a Baghdad tea-house. "If Iraq stays on its decision, America will attack, and it will mean death for people," Kadum Ader said, but "there has been no guarantee that they will ever end the embargo."

Amar Abdel Jareed agreed. "I am with this decision because since eight years the inspectors were here, but no results."

"No results. No hope."

ALLIES: Clinton Administration Gains a New Freedom in Dealing With Saddam

Continued from Page 1

Clinton administration needs from its allies, U.S. officials said Friday, as U.S. bomber reinforcements began arriving in the Gulf.

"This is not George Bush's war and this administration does not have a tin cup," a White House aide said dryly. Pushing Iraq out of Kuwait in 1991 required troops and air power from dozens of Arab and Western nations in a U.S.-led coalition.

The official said that allied countries, which he declined to name, have offered to contribute militarily. But coalition warfare would bring complications, including higher risks of deaths by friendly fire and for the moment Washington has told other countries it feels it can carry out air operations alone.

The exception is Britain, where the government of Prime Minister Tony Blair has pressed the U.S. view that military force ultimately may provide the only way of ending what Defense

Secretary William Cohen calls the "game of hide and seek" with Iraq over its weapons programs. A British role, even small, would reflect Mr. Blair's emerging strategic aim to prepare British forces to intervene in distant crises along with United States or in a European coalition.

Britain has 12 Tornado fighter-bombers in Kuwait that would join U.S. warplanes in pounding suspected Iraqi industrial installations once Iraq's air defenses were eliminated by cruise mis-

IRAQ: Saddam Told He Can Avert Attack

Continued from Page 1

unrestricted inspections by UN experts.

It was not clear what words or actions by Iraq would be sufficient at this point to halt attacks by the huge military force the United States is amassing in the Gulf region.

"The administration is looking for Saddam Hussein to demonstrate that he's interested in allowing Unscout to do their work unfettered and without condition," Mr. Lockhart said, referring to the UN arms inspectors.

"I can't tell you precisely how he could do that."

The last of the UN inspectors left Iraq on Wednesday amid concerns for their safety in the event of an attack.

Fearing retaliation against American citizens, the State Department suggested Friday that those traveling abroad "vary routes and times for all required travel and treat mail from unfamiliar sources with suspicion."

Efforts to find a diplomatic solution were continuing Friday, but most UN Security Council members appeared resigned to the likelihood of attacks.

The Russian, French and Chinese ambassadors to the United Nations, all representing countries that have opposed the use of force against Iraq, requested a meeting Friday with the UN secretary-general, Kofi Annan, before a meeting of the full Security Council.

Mr. Annan has indicated no intention of undertaking a new peace mission to Baghdad but has ruled one out. Aides say he felt stung by Iraq's failure to comply with terms of the accord he hammered out with Mr. Saddam in February.

News agencies reported that Mr. Saddam has had extensive contacts with President Boris Yeltsin of Russia in recent days.

On Friday, Mr. Saddam spoke with the Russian ambassador, Nikolai Karlov, who delivered letters from Mr. Yeltsin and Prime Minister Yevgeni Primakov.

Russia and China have urged the Security Council to ease the sanctions imposed on Iraq after the Gulf War in 1991 as a reward to Baghdad for its compliance to date and to alleviate suffering among civilians.

But comments by Mr. Clinton, Mrs. Albright and others indicated that the United States was fast locking itself into a starkly clear set of choices: either Mr. Saddam backs down or he risks powerful and sustained attacks.

The message to Mr. Saddam is clear, Mrs. Albright said: "He needs to rescind publicly his decision" not to cooperate with the arms inspectors.

Mr. Clinton said he had not given up

all hope of a peaceful resolution. He added, however, that the international community cannot "tolerate an Iraq free to develop weapons of mass destruction with impunity."

Asked about the possibility that heavy damage to targets in Baghdad and central Iraq could encourage separatist sentiment in the north and south, Mrs. Albright said that the United States remained "committed to Iraqi territorial integrity."

By turning its back on diplomatic solutions and defying UN resolutions that have condemned Iraq and demanded cooperation with weapons inspectors, Mr. Clinton said, Iraq had made it "plainer than ever its real goal is to end the sanctions without giving up its weapons of mass destruction programs."

That approach, he said, was unacceptable.

Mrs. Albright said that U.S. and other allied officials had pursued a diplomatic solution for months, leaving "every option on the table."

"Unfortunately, one by one, the diplomatic options have been rebuffed," she said.

She used unvarnished language when she was asked about Iraqi insistences that they had attempted to cooperate with the arms inspectors.

The Iraqis, she said, were "blaming everyone else but themselves for concealing what is going on or not allowing Unscout to do its work." This, she said, was "completely disingenuous and dishonest and despicable."

Pentagon officials said, meanwhile, that an attack could come at any time.

But if the United States wants to sustain heavy attacks for several days, some officials have hinted it likely, forces already in the region would need to wait for reinforcements now on their way.

Most of the 129 additional planes ordered to the Gulf by Defense Secretary William Cohen will not arrive before Monday or Tuesday. The naval reinforcements and 3,000 ground troops could take a week longer.

JAKARTA: Violence and Decrees

Continued from Page 1

police officers drove slowly past the grounds of Atmajaya Catholic University, standing and firing their weapons from the back. The bright yellow muzzle flashes twinkled in the dark.

Later they formed a tight line about 27 meters (90 feet) from the university's fence and began firing point blank into its grounds from behind their tall plastic shields.

"The students screamed and wept in fear. Dozens of casualties were laid out on the floor of a central building, where medical workers performed emergency operations without anesthetics."

"It hurts, it's hot!" moaned a young student named Imelda, who had a gunshot wound to her inner thigh. "Jesus Christ, help me, I don't want to die!"

Students shouted and wept in shock, anger and fear. They washed their faces with wet rags to clear away the tear gas. "You are killers! You are dogs!" they shouted from behind the white iron fence that surrounds the campus.

Small white ambulances with small red flashing lights drove back and forth through the night, in and out of the university grounds, as the fighting surged around them. In the light of small gasoline bombs, demonstrators danced and taunted the lines of troops, running forward occasionally to hurl stones and then retreating.

Suddenly, unexpectedly, at about the hour the Parliamentary session came to an end, a police officer walked into the no-man's land outside the university's gate. He stood amid the rubble of stones and bits of brick and offered a truce.

Students poured from the university and embraced the startled riot policeman: some trying to kiss them through their heavy visors.

Soon, the students and the policemen were sitting on the ground together in the thin yellow light of the street lamps. They sang the national anthem.

Reform Decrees Are Passed

Pressed by the protests raging outside, the 1,000-member People's Consultative Assembly on Friday endorsed a new government blueprint for the nation, news agencies reported from Jakarta.

The assembly also named Mr. Suharto in a decree demanding a major government crackdown on corruption under his 32-year rule.

As thousands of troops and police patrolled outside, the assembly voted unanimously to pass 11 of 12 reform decrees. A 12th decree passed, 784 to 123, after a lengthy debate — the first time in three decades that the assembly failed to reach total agreement on an issue.

It backed a plan by President B.J. Habibie to hold parliamentary elections in May or June and to open the ballot to a wide range of new political parties. It set no election date, however.

Assembly members, many of them holdovers from the authoritarian Suharto era, hailed the decrees as major reforms, pointing to their demands for greater human rights and economic restructuring.

But students and other critics said they did not represent major democratic change and only entrenched the power of the status quo, including Mr. Habibie, the military, and the ruling Golkar Party.

The approval Friday of a new political blueprint for Indonesia comes as the country battles its worst economic crisis in decades. Inflation, unemployment and poverty rates are soaring.

The assembly's aim for total consensus stumbled when the Islamic-oriented United Development Party refused to put its name to a decree calling for only a gradual reduction of the 75-seat military representation in the 700-seat Parliament. (AP, Reuters)

APEC: A Divided Organization Gets Ready to Meet in Malaysia

Continued from Page 1

eralizing. That is terribly disturbing and destructive."

APEC senior officials ended a three-day meeting on Friday without an agreement on the fast-track initiative and said it was now up to their ministers and leaders to work out a deal.

The organization is also distracted by political differences, including the treatment of Anwar Ibrahim, the former deputy prime minister of Malaysia. Mr. Anwar complained that he was beaten by the police after his arrest under the draconian detention-without-trial provisions of the country's Internal Security Act.

The U.S. secretary of state, Madeleine Albright, hopes to meet Mr. Anwar's wife during her visit to Malaysia for the organization's annual ministerial talks, which start Saturday, the U.S. Embassy here said Friday.

The move is seen in Kuala Lumpur as a significant new gesture of U.S. disapproval of the Malaysian government's treatment of Mr. Anwar, who cultivated close ties with many countries and international financial institutions as deputy prime minister and finance minister.

Mr. Anwar's trial on corruption and sodomy charges began earlier this month amid extensive foreign interest. To avoid further controversy, it was adjourned Friday and will only resume after APEC leaders finish their two-day

summit meeting in Malaysia on Wednesday.

In a move that analysts say will hardly contribute to good working relations on trade and other contentious issues at the meetings, U.S. officials said that Mrs. Albright would not hold any bilateral meetings with Malaysian officials while she is in Kuala Lumpur.

To add weight to their governments' official expressions of displeasure, President Bill Clinton of the United States and Prime Minister Jean Chretien of Canada have declined traditional bilateral meetings with Prime Minister Mahathir bin Mohamad, who will be chairman of the summit.

This contentious approach worries some other APEC countries, among them Australia, which lines up on the side of the United States and Canada in the open markets debate.

Prime Minister John Howard of Australia said he planned to meet Mr. Mahathir. "I think it's very important in circumstances such as this — given the character of our relationship and given the importance of the bilateral relationship and the fact we are part of this region — that we don't just automatically follow the stances of countries that are not part of this region," he said.

"If you have concerns about what may be happening inside a country, your obligation is to meet face to face with the head of government of that country and to express those concerns."

Ostensibly, the U.S. disagreement with Japan is over Tokyo's refusal to carry through on an accord reached by APEC leaders a year ago to lower tariffs "voluntarily" starting next year in nine key trade sectors, including fishery and forest products — which are politically sensitive for the Japanese government.

But analysts said that now that the full force of the economic crisis has broken over East Asia, many other governments in the region are either supporting Japan's protectionist position or using it as a pretext to delay painful market-opening measures. These include Malaysia, which has imposed currency controls to shield its economy from what Mr. Mahathir says is the failure of the international community to regulate damaging currency speculation.

At issue is whether APEC should be pushing ahead with trade and investment liberalization or concentrating on other measures to help its worst-affected members recover from the economic crisis.

"The worst possible response to the crisis would be to put up the shutters," Mr. Howard said. "That would result in competition to raise tariffs and barriers within the region and outside."

Not including Russia, Peru and Vietnam, APEC's members are Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand and the United States.

LAFONTAINE: Moving Finance Minister Could Aid Schroeder

Continued from Page 1

up his chairmanship of the Social Democratic Party to avoid conflict with the obligation to represent wide European interests. Mr. Schroeder would be the natural successor as party leader and finally seize the controls of the party apparatus that has made him dependent on Mr. Lafontaine.

If Mr. Schroeder controlled the party, "his chancellorship could begin in earnest in the year 2000," the Frankfurt Allgemeine Zeitung wrote on its front page Friday. The newspaper Die Welt said, "The power struggle between Schroeder and Lafontaine has gone into the next round."

Associates of Mr. Lafontaine said the prospect of his candidacy was plausible but far from decided.

party official said, Mr. Lafontaine also is known for wavering during his past career decisions.

"Lafontaine's psychology is very complicated," in the words of one Bonn strategist.

Confirming that the idea of proposing Mr. Lafontaine for the EU commission had been discussed, the German deputy foreign minister, Gertner Verheugen, told the Frankfurter Rundschau newspaper that he had "abstractly" sounded out the French minister for EU affairs, Pierre Moscovici, over dinner recently in Paris. After rumors surfaced of the meeting, Mr. Verheugen objected that the topic consumed merely a minute of conversation.

It was the French, who are known to be fond of Mr. Lafontaine's traditional brand of socialism, who actually tossed Mr. Lafontaine's name into the ring, according to Mr. Verheugen. "Are you

thinking of Lafontaine?" Mr. Moscovici replied, according to Mr. Verheugen.

The European policy spokesman for the Social Democrats, Klaus Haensch, said Mr. Lafontaine would be "a good man" for the EU's chief executive.

Significantly, Mr. Verheugen is closer to Mr. Schroeder than Mr. Lafontaine. To German commentators, the move only underlined Mr. Schroeder's eagerness to distance himself from "the Napoleon of the Saar," as the ambitious Mr. Lafontaine is known.

Less than three weeks into the job of finance minister, Mr. Lafontaine already has unsettled the financial world by trying to impose his views on the supposedly apolitical management of the euro and the interest rates and exchange rates that underpin it and guide Europe's economy. In the process, he is feuding in public with the European Central Bank, which by statute enjoys political autonomy.

ART

Frank Sinatra, A Symposium

'The Voice' Conquers America's Ivory Tower

By Peter Applebome
New York Times Service

HEMPSTEAD, New York — "How can you have a Frank Sinatra conference without booze?" asked the comedian and visiting lecturer Alan King.

They did their best at Hofstra University on Thursday, when more than 1,200 scholars, friends, camp followers, colleagues and fans turned out for "Frank Sinatra: The Man, the Music, the Legend," billed as the first academic conference dedicated to the entertainer whom the conference hailed as "the preeminent personality of popular culture of the 20th century."

Vic Damone sang King told jokes. James Bruno, an education professor at the University of California at Los Angeles, opined on Sinatra as an expression of America's collective unconscious, and Rocco Martinaccio, an English professor at Manhattan College, delivered a paper titled "I Get No Kick From Assimilation, or 'My' Frank Sinatra Problem." As pompous as the conference might have seemed at times, the participants, both serious and not-so-serious, agreed that Sinatra deserved his day in academia and that he probably would have enjoyed the spectacle.

"Two millennia ago, a Roman Caesar crossed the Rubicon River and changed the course of civilization," Bruno said, beginning his talk. "In the late 1930s, an Italian-American crossed the Hudson River from Hoboken, took on New York and changed entertainment history. He became the entertainer of the 20th century."

The conference was to include talks on Sinatra and race, gender, class and philanthropy. A philosophy and iconography panel included a paper by Elizabeth Liebman of the Getty Research Institute on "All of Me: The Cartesian Soul of Frank Sinatra" and Edmund Santurri of St. Olaf College on "Prophet, Patron, Postmodern Prometheus: Moral Images of Sinatra in Contemporary Culture." Roger Borms of the Sinatra Society of Belgium perhaps wins the most obscure topic award for his eagerly awaited "Frank Sinatra and Belgium."

But, for all the heavy lifting, popular culture is already so entrenched in the academy that the most remarkable thing about the Sinatra conference here may be not that it happened but that it did not happen sooner.

Will Friedwald, author of the biography "Sinatra! The Song Is You," said: "In a very real way, we're just continuing the work he began. He was the first performer to realize what popular culture could be, the first to grasp that it could be serious, that it wasn't ephemeral, that there was real meaning there. If you put Leonard Bernstein and Laurence Olivier in the same room, it would be Frank Sinatra."

Hofstra since 1976 has been putting on ambitious conferences, usually based around a single person, beginning with French writer George Sand and German dramatist and narrative writer Heinrich von Kleist. Figuring they could get more for their money with figures a bit sexier than Heinrich von Kleist, program organizers soon branched into presidents (all of them from John Kennedy through George Bush) and other popular figures.

After a 1995 conference on Babe Ruth was a major success, Hofstra looked for another major cultural figure. "We asked ourselves who else in the 20th century reached the same pinnacle in his field as Babe Ruth," said Natalie Dadiot, a co-director of the conference. "And right away, we came up with Frank Sinatra. We really couldn't come up with anyone else who came close."

Officials contacted Sinatra two years ago, and he and his family expressed their approval of the project. By the time it opened this morning, with his daughter Tina in attendance, the schedule included 43 panels, 120 professional papers and presentations by 80 experts of various sorts.

For good measure, there is an exhibit of art including Sinatra's own lithographs, movie and album art, and, probably unavoidably, paintings of Sinatra by the ubiquitous LeRoy Neiman.

The conference, for three days at least, changed the look and feel of the campus here, adding an armada of middle-aged and older Sinatras to the campus. "Fly Me to the Moon" and "I Get a Kick Out of You" were wafting out of music speakers. On television screens, Sinatra and Ella Fitzgerald were



Frank Sinatra has his day in the academy.

singing "Ode to Billie Joe" as if pulled from a distant corner of multiple time warps.

"It's really overwhelming," said Myron Kraskow, a retiree from Woodmere, New York. "I go back to the battle of the baritone, so it all means a lot to me." Students seemed a little less engaged. Some expressed dutiful appreciation of the man and named "New York, New York," or other recent Sinatra standards. But others seemed to find him as ancient as Cicero.

Given that Elvis Presley has had a scholarly conference for years, Sinatra, who became the subject of a new wave of scholarship and biography when he turned 80 in 1995, was probably due his. And panelists said that longevity, his immigrant background, his political journey from Henry Wallace to Ronald Reagan, his status as a seminal pop icon, his evocations of changing notions of masculinity and sexuality were among the topics most of interest to scholars.

Many admirers said the conference made sense not because he was so philosophically profound, but because he was so good at what he did.

"He led the barbarians at the gates for many years and now his work is a wax museum of the classic popular song," said Ervin Drake, the songwriter who wrote the Sinatra standard "It Was a Very Good Year."

"Frank was the ultimate genius," Drake continued. "That alone is reason to line up and pay tribute to the fact he passed this way. There has to be more to life than simply tormenting President Clinton."

For many, the gathering was about reminiscence more than scholarship.

"I was at his wedding to Mia Farrow," King said. "She was about 12, I guess. I said he didn't know whether to bed her or burp her."

He said Sinatra might have been amused by some of the philosophizing, but he would have approved of the gathering: "He would have gotten a bang out of it. He was a voracious reader. He sucked up all kinds of knowledge, right or wrong. He was a vacuum cleaner for it, and he was impressed by erudite people. And he deserves this. He's Muhammad Ali. He's Horowitz. He's Picasso. The good and the bad it all played into his mystique. You could do a month on him, and still have plenty left over."

The Forty-Niners Come to Life

By Hank Burchard
Washington Post Service

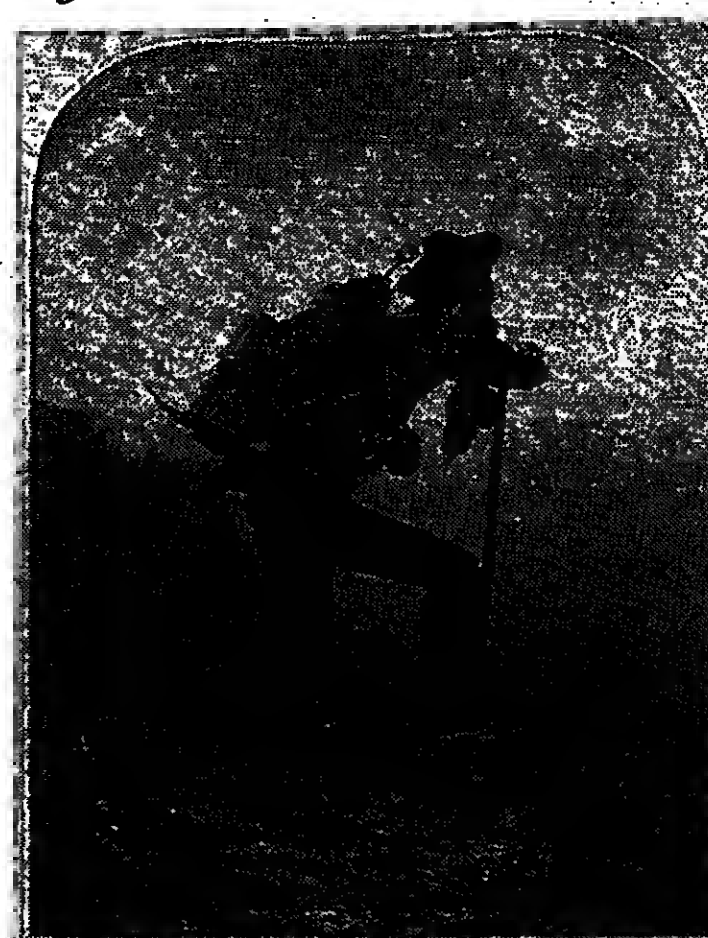
WASHINGTON — No sooner had California become American than it turned to gold. The ink was hardly dry on the 1848 treaty by which Mexico surrendered California and the Southwest to the United States when word began to filter out that gold had been discovered at Sutter's Mill on the American River above Sacramento.

Twin exhibitions at the National Museum of American Art bring to life the heady and horrific days of the great gold rush that followed, as the steady westward march of American settlers became the wild stampede of the Forty-Niners. The story is told in rare early paintings that are seldom allowed outside the state, along with 115 images produced by the recently invented daguerreotype process.

The two shows interact so intimately they should logically be melded, but could not be because of the low light levels required to preserve daguerreotypes. The gallery has done the next best thing by showing the collections side by side, so that it's only a few steps from the painter's generally after-the-fact vision of the sturdy, cheerful miner to the photographer's unflinching, on-the-spot testimony that gold mining was grinding, grubby toil that broke men down as they tore up the landscape.

One painting and one daguerreotype from each show, if hung together, would sum up the ideal and the real in a glance. "A Lucky Strike," undated and by a painter known only as A.G., depicts a serene and well-fed miner wearing clean clothes and holding in his soft white hand a massive nugget that would ransom a king.

The daguerreotype, also by an unknown maker, is a hand-colored, full-length portrait of a young miner, William McKnight. He leans on his spade and glares out of the frame, his left fist on his hip. Tucked in the belt holding up his buckskin trousers are a pistol and a dagger that's almost a short sword, the miner's ever-present defenses against robbers and claim jumpers.



Visions of gold: "The Prospector," 1850, by E. Hall Martin.

"Rush" seems an odd word to describe the reaction to the news of the gold strike, because it took at least three or four months for a strong, lucky, skillful, knowledgeable, well-equipped, well-fed party of Easterners to get to the gold fields by land. By sea, taking either the long way around South America via fabled Cape Horn or the swiftest, malarial, bandit-ridden overland "shortcut" over the Isthmus of Panama, it generally took six to nine months. Nevertheless, by the end of 1849, some 40,000 overland trekkers and a roughly equal number of sea voyagers had reached California—unaccounted thousands had died along the way. But the mother lode had been staked out already by Mexicans and Americans who were in California when a carpenter, Jim Marshall, noticed flecks of gold in the millrace he was building for the Swedish immigrant Johann Sutter. Within a few weeks, 4,000 locals had staked claims covering virtually all the gold-bearing ground.

The legions of disappointed miners, often called "argonauts," included men of every craft, trade and profession. Once they'd given up their dreams of gold, there was plenty of work to be had in the growing towns and cities, and within a few years the arrival of increasing numbers of respectable women helped settle things down.

"Art of the Gold Rush" and "Silver and Gold: Photographs of the Gold Rush," through March 7, at the National Museum of American Art.

BOOKS

THE HUNDRED DAYS

By Patrick O'Brian. 279 pages. \$24. Norton.

Reviewed by Bob Thompson

ON the first page of Patrick O'Brian's "The Hundred Days," the latest volume in his justly venerated Aubrey-Maturin series, we meet a pair of ancient naval lieutenants who've retired to Gibraltar to live out their remaining days. Their famous role, as they watch the surface of the sea, is to bring uninitiated readers up to speed. ("Did you ever meet Dr. Maturin?" "A very clever doctor, they say... always sails with Jack Aubrey.") But their hidden purpose is to warn the O'Brian faithful that the end is near.

Even as we succumb once more to O'Brian's unconventional storytelling rhythm, with its meditative hulls and

typhoon-like bursts of action, we feel that something isn't right — that the winds of invention that have carried Commodore Jack Aubrey and Dr. Stephen Maturin through so many narrative seas are slackening, and that their 84-year-old creator is no longer willing to invest much in his characters, new or old.

May this be as good a time as any to urge those who have not read the earlier O'Brian novels to stop reading this review, pick up a copy of "Master and Commander" and start at the beginning. You have enormous pleasure in store for you, especially in the first dozen books, and by the time you catch up to "The Hundred Days," you'll be deeply grateful that there is more to come.

Still, that pleasure derives as much from the carefully drawn interplay of character as from the naval bang-bang: from watching the impetuous Aubrey come to terms with the burdens of high com-

mand, or from handicapping the turbulent love affair between the wildly incompatible Stephen Maturin and Diana Villiers. In "Diana," O'Brian created a figure so ferociously determined to live her own life, and so socially inept, that she dwarfs every other female character he's ever created. He has reported to surrogate Dianans when the real one couldn't be worked into his plot, but these never give full satisfaction.

A typical O'Brian offers pleasure in the interplay of lesser figures, too, especially Aubrey and Maturin's shipmates: "his own village," as Stephen likes to think of them, "his own ship's company, that complex entity so much more easily sensed than described."

Yet in "The Hundred Days" the ratio of character to action is out of whack. Relationships that have evolved over thousands of pages feel frozen here.

There is elegant wit here, make no mistake, and at least one extended sequence in which Stephen hunts lions in the Atlas Mountains, that approaches vintage O'Brian. But "The Hundred Days" is almost as if to be shot across our bow.

"This might go on for ever," Stephen observes as the pursuit of the elusive galleys drags on.

"To be sure," his companion answers, "these two long wakes and the infinite quantity of sea have something of the look of eternity. Or of a dream. But for my part I do not think it can last much longer."

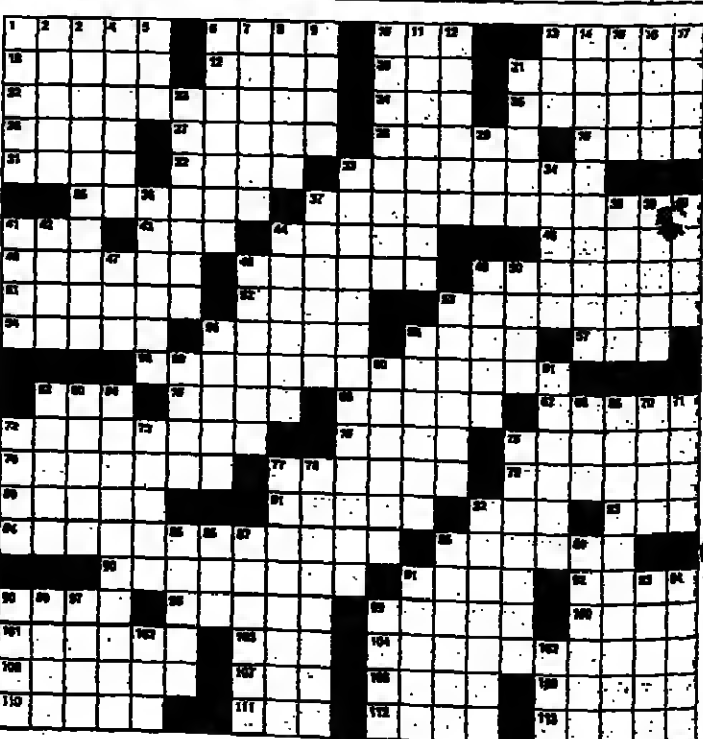
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ON YOUR MARK By Robert H. Wolfe

- ACROSS
- 1 Make itinerary
- 2 Service stations
- 3 Strip on the Mediterranean
- 4 Gov. Bush of Florida
- 5 One of about 2,400,000 in the United States
- 6 Isn't just given
- 7 Was in the hole
- 8 Instrument in jazz lingo
- 9 More than whimper
- 10 Medical resident of 60's TV
- 11 Raps (Easter Island)
- 12 Calf American visitor
- 13 "Later"
- 14 Computer
- 15 Rins at the curb
- 16 Hoofbeats
- 17 Vaulter's landing place
- 18 Charge with a responsibility
- 19 Stoolies, at times
- 20 Make a denial
- 21 Antiquity, in antiquity
- 22 What's more
- 23 Millions of a meter
- 24 She played jule in "Julie" 1966
- 25 Froy
- 26 Suffers
- 27 Put on a pedestal
- 28 Puts
- 29 Abuses the throne
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- 32 It's a cover-up
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- 49 Deli hanger
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- 55 Leader in Israel
- 56 100 Best (laugh uproariously)
- 57 Household pest
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- 59 Heroes
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- 62 "Mable" (W.W. West's best seller)
- 63 Some kind of a nut
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- 65 It may make you see things
- 66 Carpet part
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- 68 DOWN
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- 71 Hager
- 72 A hit for the Charvett
- 73 Capital place
- 74 1923
- 75 ———— partide
- 76 Father of modern rockery
- 77 Looks for
- 78 There are two per hundred
- 79 Fruity drinks
- 80 Novel published under the alias Conner Bell
- 81 Growing population areas
- 82 American University locale
- 83 Prisoner's name
- 84 Mahalia Jackson autobiography
- 85 "no ideal"
- 86 no ideal
- 87 Grind, maybe
- 88 Flight engineers
- 89 Speaks elegantly
- 90 "quilt" (ukimatsu)
- 91 Paul Newman's directorial debut
- 92 Biblical which's house
- 93 Padded envelope
- 94 Attends as a visitor, with "no"
- 95 Voice lesson
- 96 Sugar substitutes
- 97 "By gum"
- 98 Hot stuff
- 99 Purple eyes
- 100 Touch
- 101 Broyoffs
- 102 Big name in frozen vegetables
- 103 "Of course"
- 104 Torpedo, in British slang
- 105 Bunch of Flood and others
- 106 Holds off
- 107 Democracy since 1937
- 108 Lift
- 109 Fur resembling beaver
- 110 Park, Calif.
- 111 Ark's first dancepartner
- 112 Anticipatory exclamation
- 113 Worst



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Solution to Puzzle of Nov. 7-8

ACROSS
1. Make itinerary
2. Service stations
3. Strip on the Mediterranean
4. Gov. Bush of Florida
5. One of about 2,400,000 in the United States
6. Isn't just given
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33. Some nouns
34. Kelly McGillis's debut film, 1983
35. Diagnostic proc.

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ART

London Strikes Back: An Irresistible Force?

Dealers and Auction Houses Join Together for 'Asian Week'

By Souren Melikian
International Herald Tribune

LONDON — London has taken up the gauntlet thrown by New York in the world arena for prominence in the Asian art market.

Raising their "Asian Week" flag as of Saturday, when the Chinese works of art to be sold on Monday and Wednesday at Christie's and Sotheby's go on view, the world's most powerful dealers in the field and the two foremost auction houses acting in unison, have launched a multitracked offensive. The immediate objective is to make the Asian art scene in London irresistible and to demonstrate that it enjoys an unrivaled pool of expertise and connoisseurship in that area. To that extent, London's latest attempt at regaining its Asian position is a success.

The string of dealer shows around town is remarkable. It takes a connoisseur's eye trained over a lifetime of intercourse with Chinese art to line up as Jules Speelman does at 129 Mount St. a monumental Tang marble figure of Buddha, still admirable despite the loss of its head, hands and feet; one of the greatest gilt bronzes produced in the 11th or 12th century in the enigmatic kingdom of the Khitan people under the Liao dynasty, and some stunning cloisonné enamel vessels of the early 15th century.

Around the corner at 1 Davies St., a theme is Japanese. Barry Davies displays in partnership with the Mita Art Gallery of Tokyo, the Japanese prints amassed by David Caplan, a gem dealer in Tokyo who became one of the world's four leaders in the Japanese print trade. There are some rarities — Kaigetsudo Dohan represented by a "Standing Courtesan" in an all but unobtainable "primitive" of the 17th century. Displayed in quickly rotating batches until Dec. 4, the 245 prints illustrated in a superbly produced cata-

logue make up an elegant introduction to the "Images of the Floating World."

In other galleries, individual works celebrate the week in their own way. Giuseppe Eskenazi, Europe's premier dealer in Chinese art, who, with his colleagues John Eskenazi and Michael Spink, was the driving force behind the Asian Week, displays a rare 11th-century wooden bodhisattva and a unique carved lacquer tray of the Wuli period (1573-1619). The use of color to emphasize the low-relief characters, all in purple-brown lacquer, and the carmine red that illuminates the inside of the two pagodas place the pictorial tray among the masterpieces of its time.

Similar ambitions probably haunted the auction house specialists as they put together their sales of Chinese art. Henry Howard-Sneyd of Sotheby's was lucky enough to find the ultimate rarity, a 16th-century blue-and-white ever decorated with a European armillary sphere. The device used by Manuel I of Portugal (1469-1521), together with the imperial mark of Zhengde (1505-1521) under the glaze, make it the earliest datable example of blue-and-white porcelain intended for Europe.

It raises intriguing questions. The pattern on the neck looks like two interlocking Latin Cs. The motif, not known in Chinese art, is unlikely to be the result of coincidence given the presence of the armillary sphere. Portuguese historians, said to be in a state of effervescence about the discovery, might shed some light on the enigma.

Howard-Sneyd made another discovery: the bronze statue of a seated Buddha engraved with an inscription that gives a date equivalent to 1572. A donor is named, "the widow of the Buddhist disciple Li Shihao, nee Wang, Guardian of Fungshan, in Mei county, Jma prefecture." If traced to a source, this would turn the piece into a landmark in the history of Ming bronzes.

Add an extraordinary Han bronze incense burner in the shape of a cock and that makes three reasons for not missing Sotheby's viewing.

At Christie's, one of the earliest Chinese archaic bronzes to reach the West via Japan, a Zhou pouring vessel that was exhibited at Durand-Ruel in Paris in 1902, has surfaced out of the blue, and a small marbled ewer of the Tang period that belonged to the famed Alfred and Ivy Clark collection has also resurfaced.

But the incomparable coup pulled off by the organizers of the Asian Week was to persuade the great Chinese collector Au Bak Ling to have 100 of his Chinese porcelain vessels displayed in London. The curator of the show is the renowned London-based scholar in Chinese ceramics, Regina Krahl, who wrote the forthcoming catalogue raisonné of the collection. Norman Rosenthal, director of the Royal Academy, agreed to fit in the exhibition at such short notice that this would be inconceivable in any other context. It was an inspired decision.

THE beauty of the Yuan and early Ming vessels is breathtaking. Nothing remotely approaching it has been seen in the West. This exhibition alone, on view from Tuesday to Dec. 20 (there are others, including an attempted reconstruction at Kensington Palace of the collection of Chinese Blue and White formed by William and Mary as it stood in 1693), would be enough to ensure the success of the fledgling Asian Week.

Can it have an enduring effect and match the New York Asian Week? Michael Goedhuis, the London dealer with a taste for beautiful bronze shapes from the Han age in China to the Meiji era in Japan and a commitment to contemporary Chinese painting — he currently displays, among others, some striking calligraphic works by Grace Tong —

believes so. London's great asset, Goedhuis says, lies in the presence of a larger number of international-class dealers than in any other single city. "You can go out any day and buy a dozen major pieces within two hours," he said. "Where else would you do that?" True. But will they?

"They" means, in three cases out of four, the U.S. collectors who alone have the wherewithal or the willingness to act at the pre-set price level. If there is an exception, it concerns what Colin Sheaf of Christie's calls "the classics of Chinese taste." At auction, the director of the Chinese art department notes, these go in the main to the Far East. Unfortunately, one may add, London is not necessarily an attraction for the overseas Chinese. Last year, thinly disguised racist overtones characterized the public debate over the conditions under which Britain might grant passports to the Chinese residents of Hong Kong wishing to emigrate. They have not been forgotten.

So far, the indications are that the week will start in style. Collectors and curators from all over America are coming in droves. This week, Vidya Dehejia, deputy director of the Freer Gallery of Art and the Arthur M. Sackler Museum in Washington, was spotted among the early arrivals, as was Edmund Capon, director of the Art Gallery of New South Wales, in Sydney.

London stands a sporting chance if it manages to remove the most immediate threat, that of value-added tax climbing to 5 percent on any goods imported from outside the European Union in June 1999. If it fails, the increased VAT will deal a fatal blow to London's hopes for a Renaissance — as Sheaf glumly remarks, most of the Asian Art sold in London comes in from outside the European Union. The loss would be that of Europe as a whole in terms of trade as well as cultural influence.



"Standing Courtesan" by Kaigetsudo Dohan, early 17th century.

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Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Yardsticks for Action in Iraq

With an American strike against Iraq seemingly imminent, the Clinton administration must clearly define its goals and the best military tactics for achieving them. Although diplomacy now seems exhausted, there was a faint hope late Friday that Saddam Hussein would blink and start honoring his international obligations. But if Baghdad remains defiant, President Bill Clinton would be fully justified in ordering an attack. The world cannot leave Saddam free to manufacture horrific gases and nerve gases and use them to terrorize neighboring countries.

The primary purpose of military action should be to compel the return of UN weapons inspectors and assure their access to all locations suspected of harboring evidence of biological, chemical or nuclear weapons or missiles. Air strikes can also destroy at least some of those weapons — and might inflict enough damage to jolt Saddam out of his fantasy that he can retain weapons of mass destruction without paying a price or remaining much longer under sanctions.

To achieve these ends, any new missile and bombing campaign must be extensive, going far beyond the pinprick Tomahawk missile attacks of the past. That approach failed to produce lasting change. A new air campaign will need to be sustained, with a regrettable risk of civilian casualties.

The campaign should be aimed at strictly military targets, including weapons plants and storage facilities that can be hit without dispersing dangerous germs and gases. Washington should also attack bases of the Re-

publican Guard and other forces that Saddam relies on to maintain his grip on power. The idea is to make the cost to Saddam so high that he would prefer letting the inspectors back to seeing the attacks continue.

There is an understandable temptation to take on the added goal of politically crippling Saddam or even driving him from power. Desirable as those results would be, the air and ground campaign required to achieve them would inflict unacceptably high costs on the Iraqi people, Mideast regional stability and American troops.

Even the air campaign carries a risk that Iraq could launch Scud missiles against Israel, as it did during the Gulf War, although UN inspectors believe that almost all Iraqi Scuds have now been destroyed. Should Israel come under attack, its leaders would be wise to let Washington take responsibility for Israel's defense. An Israeli military response would probably rupture the emerging Arab consensus against Baghdad.

The UN Security Council, including France, Russia and China, is now unanimous in condemning Baghdad. Thursday, eight Arab countries, including Egypt and Syria, demanded that Iraq cooperate fully with the inspectors and warned Saddam that any military action would be his fault. Thanks to the Clinton administration's diplomacy and Saddam's reckless folly, most of the world is now more willing to accept U.S. military action than at any time in the recent past. Saddam ignores this new reality at his own peril.

—THE NEW YORK TIMES

A Showdown in Israel

With the Iraq issue at the point of explosion, this is an especially bad moment for delay in the scheduled implementation of the Israeli-Palestinian accord signed at Wye, Maryland. This prospect now looms as a result of Israel's decision to revisit several politically tender clauses bearing on Israeli withdrawal and amendment of the Palestinian charter and to push ahead with a controversial housing project in Jerusalem. Anything that undercuts the American attempt to build broad Arab support for what seems likely to be an early confrontation with Saddam Hussein has to be deplored.

The October agreement had already prompted a showdown between mainstream Palestinian forces led by Yasser Arafat, who signed the Wye accord, and Hamas and other rejectionist and terrorist elements.

The agreement has now prompted a parallel showdown in Israel. From his own coalition government, Prime Minister Benjamin Netanyahu gained approval of the Wye accord but only by a plurality and only by imposing new textual and political conditions likely to

slow the agreed transfer of Israeli-held land. His tactic now is to shift the burden of compromise to the Palestinians. That way he hopes to have the altered agreement and continued power, too.

The political pressures on the two leaders are excruciating. But any tendency to relieve those pressures by forcing new concessions from the other side is a recipe for distrust and stalemate. After all, this is not a negotiation; the negotiation took place at Wye, and the two parties solemnly gave their word. To revise it unilaterally after the event is to invite the other party to follow suit the next time he gets into a political squeeze.

Moreover, it is not just that the Israelis added some late conditions. They also reaffirmed a policy of unilaterally moving new Jewish settlers into the West Bank and Jerusalem, territory ostensibly still up for mutual disposition — this while warning Palestinians to avoid their own unilateral acts, such as declaring statehood. It was done to conciliate an unyielding right. It is trouble.

—THE WASHINGTON POST

A Step Against Sweatshops

A presidential task force of apparel makers, human rights groups and consumer advocates in the United States recently agreed on how to put in place a voluntary code of conduct for domestic and overseas factories.

Although not perfect, the accord should improve sweatshop conditions and give American consumers information so that they can choose not to buy goods produced in inhumane conditions.

The plan creates a new nonprofit Fair Labor Association of business, labor and human rights representatives. The association would enforce the code and oversee independent monitors who would inspect factories for compliance. Only companies that meet the standards would be allowed to use the association's seal on their goods. The point is to give companies a marketing advantage if they comply with the code.

Under the code, factories could not use forced labor nor require employees to work more than 60 hours a week. Apparel makers could not employ children under the age of 15, unless the country's laws allow 14-year-olds to work, and they would have to pay the minimum wage or prevailing industry wage where the factories are located. Companies would have to consult with local labor and human rights groups about workplace standards.

American labor unions initially agreed to the principles but have rejected the implementation plan because it does not require that busi-

nesses pay a "living wage." They also want more frequent monitoring of factories, and object to allowing companies to operate in countries such as China that respect unions. Their concerns are legitimate, but the current agreement is a good first step.

Compliance with the code of conduct does not mean that the shoes or shirts consumers buy are the product of ideal or even fair labor conditions. But compliance would indicate that the manufacturer abides by rules that give workers some protection from the most exploitative practices.

—THE NEW YORK TIMES

Other Comment

Central American Exodus?

Central America now faces the grim challenge of picking up the pieces in the wake of the worst natural disaster to hit the region in its modern history. The region may also suffer destabilizing political effects by exposing governments' inability to respond effectively and promptly to a population already beset by staggering poverty levels, high unemployment rates and rising incidence of crime. This situation has the potential of triggering a new diaspora of Central Americans; many survivors may head north, much as their compatriots did during civil war-induced destruction of the 1980s.

—Carlos A. Rosales, commenting in the Los Angeles Times

Time for Europe to Repay America the Soldier

By Tony Blair

Mr. Blair is Britain's prime minister.

LONDON — Once again, America and Britain stand shoulder to shoulder against Iraq. Resolute in our determination to stop a dangerous dictatorship from developing weapons of mass destruction. Committed to upholding international law.

America is once again responding to the call of duty, shouldering many of the responsibilities of the international community and deploying its formidable military might to the Gulf in the cause of diplomacy. Whether it is Saddam Hussein or Slobodan Milosevic of Serbia, the dictators of the post-Cold War world respond only to a simple logic: the credible threat of force. We want Saddam Hussein to comply with the United Nations resolutions. But if he does not willingly halt his attempts to give himself the ability to commit mass murder, we are prepared to force him to.

America's trans-Atlantic commitment has rescued Europe from two world wars this century. For the last 50 years, this relationship has been enshrined in the most powerful military alliance the world has ever known. The North Atlantic Treaty Organization has preserved Europe from the threat of all-out nuclear war and helped reunite a divided continent. With the end of the Cold War, NATO is still the foundation of our collective security. We want it to stay that way.

America's trans-Atlantic commitment has made Europe a safer place. But Europe needs to do more to repay that debt.

Together, the United States and a reunited Europe can provide stability in an increasingly uncertain world. The European Union will soon appoint a High Representative for foreign

and security policy. This must be a figure of real weight and authority. He or she needs to become the focus of a coordinated European foreign and security policy. With time, the new arrangements should transform the way Europe speaks to the world, while leaving decisions of war and peace in the hands of national political leaders.

But the United States needs more than a Europe that speaks coherently. It needs a Europe that can also act with authority. Europe's new foreign policy arrangements on their own will not be enough. We thought we could deal with the Bosnian crisis alone. The guns over Sarajevo destroyed that illusion along with much else.

Washington in the end had to get involved to provide the military muscle for our diplomacy.

The imperatives that drove defense spending in America during the superpower standoff are gone. If Europe wants the United States to maintain its commitment to Europe, Europe must share more of the burden of defending the West's security interests.

It is not just a question of money. The European Union already spends nearly two-thirds of what the United States does on defense.

Europe needs to get organized. Our citizens expect us to have a clear view and the will and ability to act. This will not happen until European foreign policy and European defense are better integrated.

The European Union needs to

strengthen its common foreign policy institutions. Britain backs that. To speak with authority, the European Union also needs to be able to act militarily on its own when the United States is not engaged. Britain backs that, too.

The military challenges we face are increasingly about crisis prevention, peacekeeping and peacekeeping — about humanitarian operations rather than the collective defense of territory.

At the European summit meeting in Austria last month, I set out some principles to guide the debate. NATO should, of course, remain the foundation of our territorial defense. Any autonomous European capability should be complementary to NATO. There is no point duplicating structures that work well already. And we should do nothing to lessen American engagement in Europe, which is something that benefits all 15 countries of the European Union. Any new arrangement would also need to take account of neutral members of the European Union.

I have an open mind about what this might mean institutionally. But we are not talking about a European army. Political responsibility must be unambiguously defined. No country can accept the use of its armed forces without its full consent. The decision to deploy troops can be taken only by national politicians, acting collectively and accountably. And whatever the institutional structure, the chain of command must be clear. This means there must be a minimum of bureaucracy between Europe's political decision-makers and its military commanders.

Institutions are also only part of the equation. Europe needs to have the right

equipment to act quickly in military crises — for example, communications satellites and transport planes. We need to identify the gaps in our capability and plug them. We need to do more to plan our defense together at a European rather than a national level. We need to reform our armed services so that they fit together better and are tailored to the next conflict, not the last war. We need to reconstruct our forces together and make sure that spending on defense in all nations matches the need.

An effective European defense capability also requires an effective European defense industry. We are some way from that. The European defense industry needs to consolidate and build bridges with American partners if it is going to meet the demands of tomorrow's technologies. This is very much a matter for the companies concerned.

But governments should not hinder the logic of the market. They can also promote this process of restructuring through joint procurement programs. This means planning together and planning for the long term.

This process is only just beginning. I want it to continue and to accelerate. We need an open debate between America and Europe, free from preconceptions and bureaucratic wrangling about institutions.

Our discussions should focus on results, not ideology. We also need to get the right mix between continuity and change. But if we want to continue to benefit from America's commitment to defending Europe and its interests around the world, we owe it to the United States to pull our full weight.

The New York Times

Turmoil Echoes in Malaysia for Asian Forum to Hear

By Jim Hoagland

WASHINGTON — The site of the year's big picture conference on Asia speaks volumes about the region's broken dreams and illusions.

If the presidents and prime ministers of the 21 nations at the 1998 meeting of the Asia-Pacific Economic Cooperation forum in Kuala Lumpur next week need a word of reality, during their BOGSAIT — Bunch of Guys Sitting Around a Table Talking — Malaysia's capital can certainly provide it.

A once-thriving Asian enterprise, Malaysia has been trashed in a matter of months by financial turmoil and by Prime Minister Mahathir bin Mohamad. His anti-Semitic and xenophobic outbursts have shaken the economic and political stability not only of his own nation but of neighboring Singapore as well.

The meeting must go on, even if the results cannot possibly justify the moral mud bath this APEC gathering has become.

The leaders do not doubt will accentuate the positive yet again in their final communiqués, as they did last year and the year before, even as the terms of financial speculation and corruption were eating away at a generation of prosperity in the region.

Staying at home on principle would not have brought relief to Mr. Mahathir's most serious rival, Anwar Ibrahim, who is on trial on morals charges, or to the Malaysian economy — just as the presence of the Great and the Good of the Pacific Rim is not likely to help either.

Staying at home and sending lower-ranking officials this year would, however, have been a refreshing acknowledgment

ment of how limited and illusory the positive effect of "engagement" in Asia has turned out to be, especially for the Clinton administration.

Nowhere on the globe is the gap between ambition and investment on the one hand and results on the other greater than in Asia for this administration. As President Bill Clinton ooted in his succinct, eloquent Veterans Day tribute, his leadership and involvement helped make the United States "a force for peace" in Northern Ireland, the Middle East, Bosnia, Kosovo and Haiti over the past six years.

He can point to nothing similar in Asia, which has no shortage of civil strife or stability-threatening "conflicts." North Korea's cheating on its nuclear framework agreement with Washington undermines that accord, the administration's

chief security accomplishment in the region, and revives the threat of war.

And four months after his much ballyhooed effort to change China through his personal engagement, the change that has occurred has been in the wrong direction.

China has responded to a serious weakening of its economy by retreating on market reforms and giving more power to entrenched bureaucrats who "think it is wiser to take a hard line, to say 'no' to the United States" on liberalizing trade, Mr. Clinton's chief trade negotiator, Charlene Barshefsky acknowledged this past week.

Dissidents continue to be rounded up, and any positive influence on North Korea and other rogue states by China is not apparent.

While wooing China, Mr. Clinton has been hammering Ja-

pan, also to steadily declining effect. Now a panic spreads in the administration about soaring trade deficits, bringing warnings from Mr. Clinton this past week that he is about to restrict steel and other imports. This further weakens his appeals to Japan to cut taxes and throw open its markets to revive the region.

Asia was to be the area of accomplishment for this trade and employment-focused president. But the 18-month economic and political turmoil in the very emerging markets that he promised to turn into stable and fair trading partners for America speaks louder now than the globalization's words.

If the leaders of APEC pause for breath — a big if for this crowd — they may hear echoes of that turmoil during a trip to Kuala Lumpur that inevitably lends prestige to Mr. Mahathir.

The Washington Post

Challenge for APEC: Clear a Path Out of the Crisis

By Robert G. Lees

KUALA LUMPUR — Ministers from the 21 members of the Asia-Pacific Economic Cooperation Forum meet here over the weekend to face a confrontation with Iraq. In Japan, the world's second-largest economy, many political analysts have reservations about the government's ability to carry out reforms.

Political stability and leadership are even more tenuous elsewhere in the region. Japan and some other countries have been hurt by backing away from open markets, openings that helped generate much of the growth and prosperity in

Asia over the past few decades. APEC has so far failed to speak with a collective voice to chart a course out of the crisis.

This lack of leadership is all the more frustrating just as we see signs of nascent recovery. In many of the region's economies, currency levels have begun to stabilize, current account balances are at record levels, financial sector restructuring and recapitalization are moving ahead, and governments are working with business to encourage investment.

In some respects, more reforms have been undertaken in the past year than in the pre-

vious 20 combined. New bankruptcy laws in Indonesia and Thailand appear promising. The private sector is focusing on core competencies and profitability. Banking reform in several countries is gathering steam. In addition, the underlying economic fundamentals of the region — high savings rates, a commitment to education, a relentless work ethic — remain strong and provide a firm foundation for renewed growth.

At a recent conference in Los Angeles sponsored by the Pacific Basin Economic Council, senior officials from the International Monetary Fund, the World Bank, and several leading chief executives of companies doing business in the region all pointed to these positive developments. Many felt that a "recovery scenario" could begin in 1999, with South Korea and Thailand experiencing positive growth by the second half of the year. A strong, positive signal from APEC would hasten this upturn.

As the economic indicators continue to turn in the right direction, Asia appears to be facing less of an economic crisis, and more of a crisis of confidence. Investors and potential investors are still shell-shocked by how far and how fast the region fell.

APEC's economies collectively account for 55 percent of global economic output and about the same proportion of world trade. The group must take the lead in combating the crisis of confidence. Its leaders must articulate a coherent, well-defined plan for surmounting the crisis, backed up by clear policies. They must convey a sense of mission and a sense of urgency. They must win the confidence of the business community and investors by demonstrating the necessary resolve to put their house in order.

If the Kuala Lumpur meeting produces nothing more than the usual mix of bland pronouncements, the organization could begin a slow descent into irrelevance. Business as usual is no longer an option.

The writer is secretary-general of the Pacific Basin Economic Council, which has 1,100 member corporations in 20 economies around the Pacific Rim. He contributed this comment to the International Herald Tribune.

Climate-Change Skeptics Are Wrong

By George M. Woodwell and John P. Holdren

BOSTON — No environmental issue has received more intensive scrutiny by the scientific community than the disruption of global climate as the result of human additions of heat-trapping gases to the atmosphere. The conclusions of the many reviews of this topic by the scientists most qualified to address it have been strikingly consistent in confirming the reality and the seriousness of the problem.

The warnings from the traditionally cautious worldwide scientific community led in 1992 to the Framework Convention on Climate Change, which was promptly ratified by the United States and more than 165 other nations. The United States has just announced that it will sign the 1997 Kyoto Protocol to that convention, calling for a 7 percent reduction below 1990 levels in U.S. emissions of greenhouse gases.

While the scientific evidence about the problem and the determination of the Clinton administration to deal with it have been growing, however, so has the backlash from a handful of dissenting scientists, many of them backed by fossil-fuel interests, conservative think tanks and other groups committed to "business as usual" no matter what the risks.

These "climate skeptics" have puffed up the uncertainties in climate science (which are real, but no basis for complacency) while recycling long-discredited objections to the mainstream scientific con-

sensus on the issue. The skeptics' disinformation has found a ready audience among conservative columnists, as illustrated by Jeff Jacoby of the Boston Globe (H/T, Opinion, Nov. 7).

Mr. Jacoby asserts that "it is important to explode the myth that most scientists are worried about global warming" and purports to do so by referring to a pair of discredited petitions claiming that there is no scientific consensus on the climate danger.

The first of these, the "Global Warming Petition" is said by Mr. Jacoby to have gained the signatures of nearly 17,000 U.S. scientists. This petition has long since been recognized in the serious scientific community as a farce, in part because the signatories are listed without titles or affiliations that would permit an assessment of their credentials. Among the names are those of the author John Grisham, several actors from the TV series "M*A*S*H" and a Spice Girl.

The "eight-page abstract of the latest research on climate change" that accompanied the petition is a tissue of mistakes and distortions, misleadingly formatted to mimic an article from a scientific journal and accompanied by a letter of endorsement by a long-retired president of the National Academy of Sciences, Frederick Seitz, who has no expertise

in climate matters. The academy dissociated itself publicly from the package, stating it "does not reflect the conclusions of expert reports of the academy."

The second petition cited, the "Leipzig Declaration," is the work of S. Fred Singer, who was also loudly wrong about the stratospheric ozone problem. Mr. Jacoby claims that Mr. Singer's declaration was signed by more than 100 climate scientists; but it, too, dissolves under scrutiny. The list contains 80 signatures, mostly an odd assortment of television weather persons, dentists, lab assistants, civil engineers and others who, despite their names' appearing on the list, say they have never heard of it.

We hoped that such disinformation will not fool many members of either the public or the U.S. Senate, which eventually must ratify the Kyoto Protocol and measures going beyond it if the challenge of climatic change is to be met and mastered.

Mr. Woodwell is director of the Woods Hole Research Center. Mr. Holdren is a professor at the Kennedy School of Government and the Department of Earth and Planetary Sciences at Harvard University and a member of the President Clinton's Committee of Advisors on Science and Technology. Both are members of the National Academy of Sciences. They contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Kaiser Defied

PARIS — [The Herald says in an Editorial:] When William II gets back to his dominions he will find a "peck of trouble." The Federal Princes are showing signs of rebellion against the hegemony of Prussia. Count Ernst of Lippe-Biesterfeld has addressed to his brother princes a protest against the Kaiser, and the Duke of Cumberland has renewed his demand for his rights in Hanover and Brunswick. Count Ernst is going to take action in the Federal Council and the Reichstag. This, if supported by the other states, will cause a constitutional crisis in Germany of a new and dangerous kind.

1923: U.S. Inquisition

PARIS — To get to America Mlle. Mistinguett, the popular French vaudeville star, had to reveal some of her secrets in filing out the questionnaire

which the government requires of aliens entering the country. This horrid questionnaire, she says, is a veritable Spanish inquisition. It has forced from her the truth about her age, which is — but one dare not divulge this most important of feminine secrets. Her health is good, she says, and she writes an emphatic "No" after the inquiry as to whether she is deformed or crippled. She is not a polygamist or an anarchist.

1948: A Prince Is Born

LONDON — Princess Elizabeth gave birth to a boy — a prince and future King. An official announcement from Buckingham Palace, where the child was born, said that the princess and her son "are both doing well." The baby is the second in direct line of succession to the British throne — the first such royal infant since his great-uncle, now the Duke of Windsor, was born fifty-four years ago.

Herald Tribune

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AUCTIONS IN FRANCE

PRE-HOLIDAY SALES OF EXQUISITE ITEMS

Fine paintings, furniture, books and more will be available in Paris salesrooms this month.

The international art market is waiting on tenterhooks for the long-expected abolition of the national monopoly enjoyed by France's auctioneers and for the first sales on French soil by international giants Sotheby's and Christie's. In the meantime, as impatient as anyone else for reform to take place, Paris's Drouot salesrooms—the umbrella organization for the city's 100 auction firms—are holding special pre-Christmas sales.

A traditional high point in the annual calendar, these auctions always provide rich pickings for collectors. Sales this year are peppered with a wide range of high-quality works, with Old Master and modern paintings clearly to the fore.

Going under the hammer of Francis Briest on Dec. 4, for example, will be a canvas of outstanding historical interest by Pierre Bonnard. It is one of four commissioned from the artist in 1906 to decorate the Paris dining room of Misia Sert, a patron of artists and writers. Rich with shades of yellow—Bonnard's best-loved color—"Le Plaisir," which measures 2.3 meters by 3 meters (7'7" by 9'10"), depicts women and children in an idyllic garden setting and is estimated at between 22 million and 25 million francs (\$3.9 million to \$4.5 million). Its three fellow paintings are in the Musée d'Orsay in Paris, the Getty Museum in California and the Ikeda Museum in Japan.

Also included in the Briest sale will be a rare Gauguin monotype drawing, "Famille Tahitienne" of 1902, along with works by Manguin, Vuillard and Boudin. Poets' collections: A Boudin painting of the port of Le Havre, meanwhile, will feature in Millon & Robert's Dec. 2 sale at an estimated 400,000 to 500,000 francs, alongside a major work by Monet—"La Seine à Lavacourt 1879" (2.5 million to

3 million francs). On the same day, Francis Briest will be auctioning a delightful Normandy view, "Bretat, Porte et Palais d'Aval" of 1864 by Monet (400,000 million to 600,000 francs).

Late-19th-century and modern works of art will also be well represented. Picasso's engraving "La Minotaure-machie"—from the former collection of poet Guillaume Apollinaire, a friend of the artist—will be coming up with Courcier Nicolay on Nov. 20 at an estimated 1.5 million to 2 million francs. A black patina bronze "Tête de Fou," one of a series of 15 representing another of Picasso's poet friends, Max Jacob, will go under PIASA's hammer on Dec. 9, at a similar estimate. More recent works will include an oil by Robert Matta, circa 1960, estimated at 400,000 to 500,000 francs, and a gouache on paper by Yves Tanguy entitled "Hélène" of 1952 (500,000 to 600,000 francs), both with Calmels, Chambre, Cohen on Nov. 25.

The sacred and the profane On Dec. 9, Pierre Cornette de Saint-Cyr will propose a major rediscovery: "The Flagging of Christ," a late medieval German painting not seen in public since it was last sold in 1902. Estimated at between 2 million and 3 million francs, the panel, by a 15th-century artist known as the Master of the Passion of Karlsruhe, is part of a far larger work depicting the Passion of Christ. The six other panels are in German museums.

Another significant discovery is a canvas that had not been seen since it entered a private Paris collection in 1859, "Suzanne in Front of Her Judges," by the 17th-century Parisian court painter Charles Le Brun, will be sold by Beaussant and Lefèvre on Dec. 4 (estimated at 2 million to 3 million francs). The work was one of three paintings on the theme of the difficulty of doing justice, commissioned for the Paris law



Pierre Bonnard's "Le Plaisir," one of a series of paintings commissioned in 1906, will go on sale Dec. 4

courts around 1656. It represents the crucial moment when the testimony of a young man turns the tables in favor of Suzanne, unjustly accused of lewd behavior by three old men who were in reality guilty of playing Peeping Tom with her.

Prestigious series Etude Tajan, France's largest auction firm, has a string of prestigious sales lined up, starting with a major ensemble of late medieval and Renaissance furniture and objects to be sold Nov. 16.

On Nov. 17, Etude Tajan will auction a remarkable collection of manuscripts by late 19th-century poet Arthur Rimbaud, including 10 poems, complete with crossings-out and corrections and with estimates of up to 600,000 francs apiece. The star feature of the sale will be the only existing manuscript—never before shown in public—of part of Rimbaud's work "A Season in Hell," which is expected to fetch over 5 million francs.

A two-day sale of Islamic and Oriental art on Nov. 18 and 19 will focus on Bohemian glassware made for the Middle Eastern market, arms and Orientalist paintings. Dutch, Flemish and French Old Master paintings form the bulk of Etude Tajan's sale on Dec. 14. Among them are "Les Jeunes Enfants Jouant avec le Troupeau du Berger Endormi" (1665) by Jan Weenix, which is estimated at 1.3 million to 1.5 million francs, and a pair of monochrome seascapes by Willem Van Diest, estimated at 600,000 to 800,000 francs.

Fine 17th- and 18th-century furniture and objets d'art, meanwhile—including a bureau by the celebrated cabinetmaker Hansen (800,000 to 1 million francs) and a private collection of souvenirs of Louis XVI and Marie-Antoinette—will come up for sale with Etude Tajan on Dec. 15. Etude Tajan will be auctioning Art Nouveau and Art Deco works on the evening of Dec.

15, to be followed by French provincial ceramics on Dec. 16.

Other major Old Master works coming up for sale include an oil portrait of Countess Anna Sergeevna Stroganoff by Elisabeth Vigée-Lebrun, who was appointed official painter to Queen Marie-Antoinette of France in 1779 when she was only 24 and who worked in Saint Petersburg from 1795 to 1802. The PIASA firm will be auctioning the portrait on Dec. 14 at an estimated 1.5 million to 2 million francs.

Two pencil drawings by one of the finest 18th-century painters, Antoine Watteau, a portrait of a man and another of a woman, estimated at 800,000 and 1 million francs respectively, will be sold by Milloo Robert on Nov. 27.

A still life that expert René Millet ascribes to Chardin, representing a kitchen table and estimated at between 600,000 and 800,000 francs, will be put up for sale on Nov. 25 by Rieunier, Bailly-Pommery.

Early photography Photography is a fast-growing collecting field in Paris. Before putting Suzanne under the hammer, Beaussant and Lefèvre will auction a remarkable collection of 19th-century photos on Nov. 18.

The first item is an incomplete album consisting of 56 views of the military camp at Chalons, where Napoleon III's armies went on maneuvers. It is one of 33 such albums commissioned by the emperor himself, of which 19 are known to have survived. This 20-lot album was assembled for Comte Pajol, commanding officer of the cavalry of the Imperial Guard, whose portrait in full dress uniform features prominently among the prints. The estimate of 150,000 to 200,000 francs is conservative, to take into account the incomplete nature of the lot. Also going up for sale will be a rare but slightly damaged album containing 49

prints of the palace of the governor of Uxmal in Mexico, taken in 1849 by Désiré Charnay, an enthusiastic traveler in Central and South America.

For the bookworm Books, too, are a major Paris specialty. Industrialist Paul-Louis Weiller built up an extensive library of rare books and manuscripts that will be sold by Laurin, Guilloix, Buffetaud on Nov. 30. The collection includes eight 15th-century illuminated Books of Hours, combining fine calligraphy with magnificently well-preserved miniatures.

Among the most spectacular is the book known as "Guy de Laval," in a 16th-century binding, 11 assemblies 31 miniatures painted by the Master of Guise and is estimated at between 2 million and 2.5 million francs. "The Hours of Jacques and Jeanne Cauchon" contain 18 full-page miniatures and 24 smaller miniatures by an unknown artist (1.5 million to 2 million francs), while the "Heures à l'Usage de Paris" includes 16 miniatures by a painter from the Avignon region.

Weiller's tastes did not stop at the Middle Ages. The sale will also include musical manuscripts, including a 33-bar extract from an allegro movement for horn by Mozart (250,000 francs) and Chopin's Mazurka Op. 6, 1830-31, in the musician's own hand (280,000 to 300,000 francs). Also included will be top-quality 17th- and 18th-century bindings, as well as letters by writers Proust, Verlainne, George Sand and others.

Good-quality 18th-century furniture will be found with PIASA on Dec. 2 in the form of a richly decorated Louis XVI gueridon table attributed to Molitor (600,000 to 800,000 francs). A black-and-gold Louis XV Chinese and European lacquer commode by Peridiez will be sold by Millon & Robert on Nov. 27 at an estimated 200,000 to 300,000 francs. ■

UPCOMING DROUOT SALES

- Nov. 16: Etude Tajan, Espace Tajan; Medieval and Renaissance furniture
- Nov. 17: Etude Tajan, Drouot Montaigne; Jacques Guérin library, including Rimbaud mss.
- Nov. 18: Beaussant Lefèvre, Drouot; Photographs. PIASA, Drouot; Furniture, objets d'art
- Nov. 18 and 19: Etude Tajan, Drouot; Islamic and Oriental art
- Nov. 20: Etude Couturier-Nicolay, Drouot; Former Guillaume Apollinaire collection. PIASA, Drouot; Photographs of Dora Maar
- Nov. 23: Etude Tajan, Drouot; 19th- and 20th-century photographs. Etude Kohn, Drouot Montaigne; Art Nouveau, Art Deco
- Nov. 24: Etude Kohn, Drouot Montaigne; Modern and contemporary paintings
- Nov. 25: Rieunier, Bailly-Pommery, Drouot; Old Master paintings and furniture
- Nov. 26: PIASA, Drouot Montaigne; Dora Maar estate
- Nov. 27: Millon & Robert, Drouot; Old Master paintings and furniture
- Nov. 30: Laurin, Guilloix, Buffetaud, Drouot; Library of Paul-Louis Weiller. Etude Milon & Robert, Drouot Montaigne; Art Nouveau
- Dec. 2: PIASA, Drouot; Furniture
- Dec. 4: Etude Briest, Drouot Montaigne; Modern art. Etude Beaussant Lefèvre; Old Master paintings, furniture
- Dec. 5: Etude Briest, Drouot Montaigne; Contemporary art
- Dec. 7: PIASA, Drouot; Dora Maar estate
- Dec. 8: Etude Binoche, Drouot Montaigne; Modern Paintings
- Dec. 9: PIASA, Drouot; Modern paintings. Etude Cornette de Saint-Cyr, Drouot; Old Master paintings, furniture
- Dec. 14: PIASA, Drouot; Old Master drawings and paintings. Etude Kohn, Drouot Montaigne; Old Master paintings. Etude Poulain Le Fur, Palais des Congrès; Collectors' automobiles. Etude Tajan, Espace Tajan; Old Master paintings

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« Famille tahitienne » circa March 1902.

Print drawing, or black monotype, enriched with watercolour and coloured pencil printed on Japanese paper.

The back of coloured drawing served for printing purposes. Drawing carries inverted handwritten signature appear on the monotype, 37 x 40,4 cm.

(Former Gustave FAYET collection)

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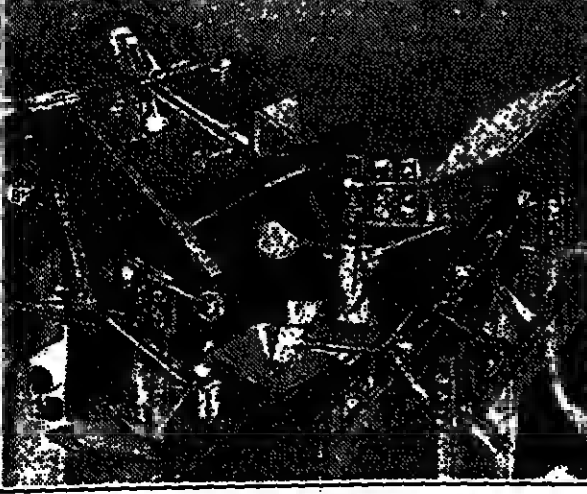
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Harpignies - Le Senne - Trouillebert - Zadkine Albertols - Modigliani - Richier



Flemish School: Pieter SCHOUROECK (1570-1607) Paysage avec Agar et l'ange. Panneau : 81 x 118,5 cm.

PUBLIC VIEWING Tuesday Nov. 24th 1998, 11:00-18:00 Catalogue on request: 100 francs

NYSE

Friday's 4 P.M. Close
The 2,600 most traded stocks of the day.
Notation: prices not reflecting late trades elsewhere.
The Associated Press.

12 Month	High	Low	Stock	Div Yld	PE	100 High	Low/Late	Chge
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INTERNATIONAL MANAGER/Telecoms in Trouble

New Telecom Italia Chief Faces a Daunting Task

By Daniel Liefgreen
Special to the Herald Tribune

MILAN — Telecom Italia SpA, which is expected to name a new chief executive next week, must move swiftly to restore investor confidence, fight off increasing competition at home and forge business alliances abroad, analysts and company insiders say.

"The company is drifting in a dangerous way," said a senior manager of the founding Italian communications giant. "This company has been through the mill," said the manager, who spoke on condition of anonymity, referring to management turmoil following Telecom Italia's privatization. "We haven't had stable management here since February 1997."

The executive committee of Telecom Italia, Europe's third-largest telecommunications group, met Thursday to discuss a replacement for Gian Mario Rossignolo, who resigned last month following a controversy over leaked 1999 earnings forecasts.

The company confirmed that the board would meet next Thursday but would not comment on press speculation that the leading candidate was Franco Bernabe, the chief executive of the Italian energy conglomerate ENI, or Ente Nazionale Idrocarburi.

Neither Mr. Bernabe nor ENI would comment on the matter. Italian press reports said that Mr. Bernabe probably would accept the post, but he reportedly wanted a say in choosing his successor at ENI. Mr. Bernabe, 50, is a well-respected manager but does not have experience in the telecommunications sector.

That should not necessarily be viewed as a handicap, some analysts believe. "What's needed is a strong manager who can get the situation under control and give trust to other levels of management," said Paola Toschi, an analyst at the Milan investment firm Avf-Milla.

But Stuart Jeffrey, a telecommunications analyst at Daiwa Securities in London, said a chief executive from outside the sector could slow decision-

making, particularly in the area of strategic alliances. "Someone with industry experience often can make the difference," he said.

The company's shares took a pounding in mid-October after Mr. Rossignolo first denied and then confirmed an internal document warning that 1999 profit would be lower than expected.

Telecom's shares surged nearly 5 percent Thursday after rumors that Mr. Bernabe was the top candidate began circulating in the stock market.

On Friday, Telecom Italia reported that gross operating profit rose 8 percent, to 17.2 trillion lire (\$10.32 billion), in the first nine months of this year compared with a year earlier. It said sales rose 6 percent, to 32.95 trillion lire, to 12,445 lire.

Mr. Rossignolo, a former executive in the Agnelli family's business empire, held the chairmanship for only 10 months, and his tenure was stormy. He quickly forced out the chief executive officer, Tommaso Tommasi di Vignano, and then dismissed the head of Telecom's mobile-phone subsidiary, Telecom Italia Mobile SpA.

Telecom Italia, which once had an effective monopoly on the domestic telephone market, now has challengers following the deregulation in recent years. Its strongest local competitor is Infostrada SpA, the fixed-phone company controlled by Olivetti SpA and its German ally Mannesmann AG.

Infostrada started operations in July and had 348,000 subscribers at the end of October. It also reportedly is luring mid-level managers from Telecom.

"They're going away in clusters," one of the Telecom sources said. Cable & Wireless PLC said Wednesday it was abandoning a planned link with Telecom Italia because the management crisis at the Italian company had made any "meaningful discussion" of the venture difficult.

The two companies had signed a preliminary deal in April and were in talks about creating the world's second-largest carrier of international calls.



Serge Tchuruk promises that Alcatel's managers "will watch external factors more closely."

Burned by the Market, Alcatel Vows Openness

By Barry James
International Herald Tribune

BRUSSELS — After suffering one of the biggest backlashes in the history of the French stock exchange, the telecommunications giant Alcatel SA claims that it has learned its lesson and is on the way back.

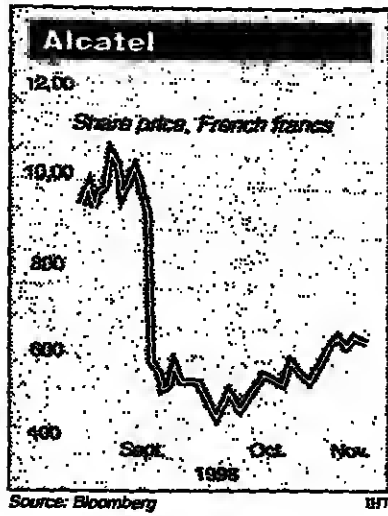
From now on, says Krish Prabhu, senior executive vice president, "we are clear, we are transparent."

But analysts say it will take a long time for the market to forgive Alcatel, the world's fourth-largest telecommunications group, not so much because of its economic performance but because it handed investors a nasty surprise without any preparation. For many of the large American institutional investors, the fall of Alcatel was symptomatic of the chubbiness of many of their perceive French companies as doing business, with company information leaked through newspaper interviews and scant transparency otherwise.

Alcatel used to be a sprawling state-owned conglomerate, whose interests ran from magazines and vineyards to heavy engineering. Under the leadership of its current chief executive, Serge Tchuruk, a former oil industry executive, it has been transformed into a specific telecommunications company, bent on becoming a leader in the exploding market for data communications as well as in its traditional sphere of voice telephony.

Alcatel expects much of its growth to come from the United States, already its biggest single market with 20 percent of sales, and Mr. Prabhu said this means it will have to behave like an American company, with more open reporting standards.

But its reputation in the United States has been damaged by a slew of class-action lawsuits from disgruntled American investors because of a plunge in the company's share price that sliced 38 percent, or about 70 billion French francs (\$12.39 billion), from Alcatel's book value. The shares



Source: Bloomberg

fell to 571 francs from 927 francs on Sept. 17 after the company said profit for 1998 would not meet expectations. The shares have since regained some of that ground, and closed unchanged on Friday, at 592 francs.

Former shareholders of DSC Communications Corp., which Alcatel acquired in a \$3.3 billion stock swap Sept. 4, accuse the French company of securities fraud because it failed to disclose that it would not meet profit expectations for 1998. The plaintiffs allege that Alcatel gave "false and misleading statements" and concealed information that could have led to the canceling or renegotiation of the sale.

Alcatel and Mr. Tchuruk strenuously deny the allegations that they concealed material information, although they decline to comment on the specific cases before U.S. courts. Mr. Tchuruk has said he did not learn about disappointing numbers until Sept. 8, after the DSC agreement was concluded. "I told what I knew as soon as I knew it," he told the financial newspaper Les Echos, although he acknowledged that he had been informed a little late.

Mr. Prabhu, who heads Alcatel's U.S. operations, said the stock slump was caused by "certain unforeseen things," some of which, like the Russian economic collapse, were "out of our control." It was also, he said, an extremely volatile time on global markets, and he suggested that investors had overreacted.

"Our operations managers did not have the insight to forecast or anticipate or raise a warning," he said. "In the future, managers will watch external factors more closely."

Neil Barton, an analyst for Merrill Lynch Global Securities, predicted it would take a year or more before Alcatel's reputation recovers.

Mr. Tchuruk inherited a company with \$4.2 billion in losses in 1995, and turned it around by refocusing its energies and shutting down about 60

See ALCATEL, Page 15

'Mania of All Manias' Lifts Internet Stocks

Web Company Soars Sevenfold on First Day

Compiled by Our Staff From Dispatches

NEW YORK — Todd Krizelman and Stephan Paternot should have no problems paying off any leftover student loans.

The two entrepreneurs, who founded theglobe.com, a company that lets people set up free personal Web pages, in a dorm room at Cornell University three years ago, took the company public Friday on the Nasdaq stock market. By the close of trading, the company's shares had risen about sevenfold in the hottest initial public offering in U.S. history.

The shares of the New York-based company were up 53 15/16 to 62 15/16, after the company and its shareholders sold 3.1 million shares, a 32 percent stake, at \$9 each, raising \$27.9 million.

The offering follows the trading debut Tuesday of another Internet company, EarthWeb, whose shares have soared nearly as much. EarthWeb's offering and a surge in other Internet stocks this week indicate that investors have lost none of their enthusiasm for these companies, many of which have never reported a profit. EarthWeb, which provides technical information on-line, fell 2 1/4 to 67, but that was up from an initial price of 14 on Tuesday.

"It's the mania of all manias," said Rick Berry, an analyst at J.P. Turner & Co. in Atlanta.

Another Internet company, Go2Net Inc., a so-called portal company that runs a popular network of Web sites targeted at specific interests, gained 9 1/4 to 39 1/4 after it reported a small quarterly profit, reversing a loss a year earlier.

"It's a portal company, which has been a very hot subsector of the Internet, and it's profitable, which is very unusual on the Internet," said Dalton Chandler of Needham & Co. "Just those two factors alone are going to attract attention."

But on a percentage basis, the surge in theglobe.com's shares was the biggest intraday increase in the history of the U.S. initial public offering market, according to Securities Data Corp. Mr. Krizelman, 25, and Mr. Paternot, 24, co-chief executives and co-presidents, each have stakes worth about \$50 million at Friday's closing price.

The Web site offers visitors free Internet home pages, chat rooms, e-mail and an electronic marketplace. It has about 2 million members, compared with more than 2.5 million members for its main rival, GeoCities. GeoCities shares have more than doubled since the company's initial public offering in August. They rose 19 1/2 to 40 15/32 Friday.

"Investors clearly want to come back in the market, and everyone is looking for a growth segment," said Keith Benjamin, an analyst at BancBoston Robertson Stephens.

Theglobe.com intends to make money through advertising sales, the sale of subscriptions for enhanced services, and agreements with e-commerce providers who handle transactions for goods and services. Still the company has not made a profit and it does not

See MANIA, Page 12

In October, U.S. Retail Sales Surged

The Associated Press

WASHINGTON — Americans spent briskly on cars and clothing in October, shunning off economic turmoil overseas and encouraging retailers as the holiday season approached.

Retail sales, which account for roughly a third of U.S. economic activity, rose 1 percent to a seasonally adjusted \$227 billion last month, the Commerce Department said Friday. It was the biggest increase in five months.

"What consumers are saying — 'We're feeling less confident' — is not yet reflected in what they do," said Ian Shepherdson, an economist at High Frequency Economics in Valhalla, N.Y.

Separately, the Labor Department said Friday that prices charged by factories, farms and other producers increased 0.2 percent in October, reflecting the first increase in energy costs in five months. The so-called core index, which excludes the volatile food and energy components, rose only 0.1 percent.

For the first 10 months of this year, producer prices declined at a 0.5 percent annual rate, compared with a drop of 1.2 percent for all of 1997.

The decline in producer prices, which has translated into only mild increases at the consumer level, has come even as demand has remained robust.

Though the retail-sales increase in October was supported by a 2.6 percent surge in auto purchases, the largest in 15 months, all broad categories of goods managed at least modest gains. Excluding autos, sales rose 0.5 percent.

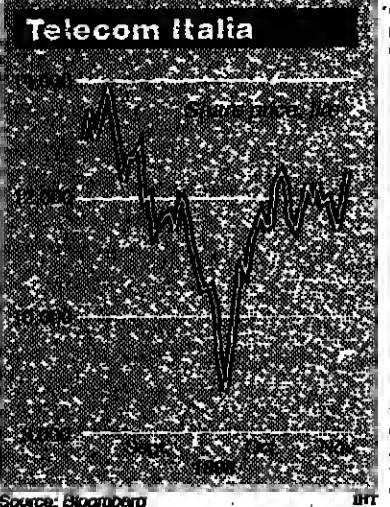
It could be a sign that Christmas sales, which account for half the annual receipts at some stores, might not be as weak as some analysts had feared.

Early this year, surveys showed consumer confidence at heights unseen since the late 1960s. But as the international economic crisis spread, rolling financial markets in late summer and early fall, their exuberance began to wane and some economists had worried that U.S. consumers would curtail their spending.

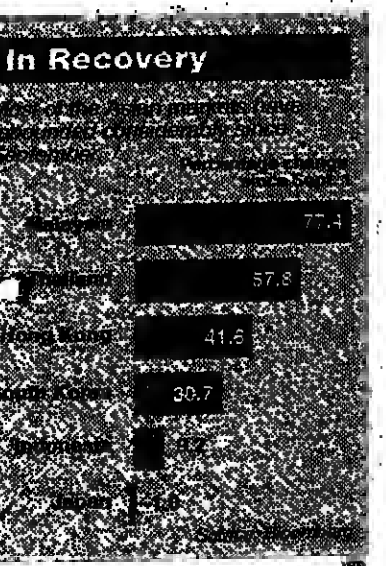
But that has not happened, as jobs have remained plentiful and incomes have been rising at roughly double the inflation rate, even as interest rates stay low.



Telecom Italia's board will meet Thursday as a successor is sought for Gian Mario Rossignolo.



Source: Bloomberg



Asia's Economies: Bottoming Out, Recovering or Taking Off?

By Steven Mufson
Washington Post Service

WASHINGTON — Economies are shrinking from Tokyo to Jakarta, Asian companies are losing money and scrambling for working capital, and the government of Japan is so desperate to get consumers shopping again that it is handing out gift certificates.

But you wouldn't suspect such chaos from looking at Asian stock markets. From their low points just a few weeks or months ago, they have soared. The Thai and Indonesian stock indexes have doubled. Benchmark stock indexes in South Korea, Hong Kong and Singapore have risen by more than 50 percent.

Which of these scenarios reflects the

true state of Asian economies: sliding deeper into economic malaise or about to turn the corner?

Despite the recent market euphoria, U.S. money managers and stock strategists are divided about the region's true economic outlook, and they warn that different countries could be moving toward recovery at different speeds.

Daniel Yergin, chairman of Cambridge Energy Research Associates, is among the optimists. "As severe as the Asian economic crisis is proving to be — throwing many countries into out-and-out depressions and hitting U.S. exports hard — a rebound could already be in the making," he said.

His firm's Asia specialist, Dwight Perkins, a Harvard University economist, wrote recently that "with a little

luck and sensible policies throughout Asia, the region, except for Indonesia, should be back on the path to a full recovery by 2000." He added, "As serious as the economic crisis in Asia is, it is not the end of the Asian miracle."

Other analysts are more skeptical. "The patient has stabilized in the emergency room, but its full recovery is still in the realm of uncertainty," said Leila Heckman, managing director for global asset allocation at Salomon Smith Barney.

Many analysts are focusing on signs of life just a year after Asia fell into economic turmoil. These include increases in foreign exchange reserves, gradually falling interest rates and a surplus in the current account, the broadest measure of trade. Morgan

Stanley Dean Witters strategists recently increased the share of Asia in their model emerging-market portfolio by 5 percentage points to 27 percent.

At the same time, however, daunting problems remain. Jay Pelosky, managing director for emerging-markets strategy at Morgan Stanley, said, "It's one thing to say Asian economies are bottoming; it's another to say they are recovering."

Among the chief problems: The region's economic powerhouse, Japan, remains in the doldrums, banks across Asia are saddled with bad loans, and Asian companies are weighed down with excessive debts. If the rest of the world economy slows in the coming months, it will be even harder for exports to pull the region out of depression.

South Korea has led the pack in moving toward economic stability, analysts said, with foreign exchange reserves that have gone from less than \$10 billion last December to \$46.9 billion at the end of September.

South Korea also benefited from the recent strengthening of the Japanese yen, which boosted export prospects of certain Korean goods such as steel. But South Korea's industrial conglomerates, known as *chaebol*, have barely begun the massive restructuring they need to get out from under crushing debt loads, Mr. Pelosky said, and labor union resistance could slow down corporate overhauls.

Malaysia, host of next week's meeting of the leaders of the Asia-Pacific Economic Cooperation forum, is viewed with much more skepticism. The prime minister of Malaysia, Mahathir bin Muhammad, has ousted his market-oriented deputy, Anwar Ibrahim, and has imposed foreign exchange controls in an effort to cordon off Malaysia from unpredictable international markets.

Indonesia's problems are as much political as economic. Uncertainty about President B.J. Habibie and the transition to a more democratic system is deterring foreign investment. And Indonesia's poor treatment of its previously prosperous ethnic Chinese minority has damaged a key part of the economy.

Analysts warn that Hong Kong's recent stock market rebound owes more to temporary government intervention than to fundamental improvement in the city's economic outlook.

And while China has not fallen victim to financial panic it is suffering from its own economic slowdown. A key reason why growth will fall below its 8 percent target: a sharp drop in exports to the rest of Asia.

Analysts largely blame problems in Japan for slowing Asia's overall recovery. Without the big capital spending or the Japanese imports that powered Asia's economic boom in the late 1980s and early 1990s, Mr. Pelosky said, "it's hard to see what would be the drivers of renewed economic activity."

CURRENCY & INTEREST RATES

Nov. 13												Nov. 13											
Cross Rates												Libid-Libor Rates											
	\$	£	DM	¥	₹	₪	₹	₹	₹	₹	₹		Dollar	3-Month	6-Month	1-Year	2-Year	3-Year	4-Year	5-Year	10-Year		
Australia	1.00	0.75	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	Dollar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		
Canada	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	3-month	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50		
France	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	6-month	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50		
Germany	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	1-year	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50		
Italy	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	2-year	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50		
Japan	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	3-year	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50		
South Korea	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	4-year	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50		
Switzerland	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	5-year	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50		
Taiwan	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	10-year	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50		
UK	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	Source: Reuters, Lynde Bank											
US	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	Rates applicable to interest periods between \$1 million minimum (or equivalent).											
New York City												Key Money Rates											
	\$	£	DM	¥	₹	₪	₹	₹	₹	₹	₹		United States	Today	Prev.	Rate							
Australia	1.00	0.75	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	Discount rate	4%	4%	4%	Bank base rate							
Canada	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	Prime rate	5 1/4%	5 1/4%	5 1/4%	Call money							
France	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	3-month	5 1/4%	5 1/4%	5 1/4%	1-month libeant							
Germany	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	6-month	5 1/4%	5 1/4%	5 1/4%	3-month libeant							
Italy	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	90-day CD (mid)	5.50	5.50	5.50	6-month libeant							
Japan	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	1-year CD (mid)	5.75	5.75	5.75	10-year GAT							
South Korea	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	10-year T-B	6.00	6.00	6.00								
Switzerland	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Taiwan	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
UK	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
US	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Chicago in Amsterdam, London, Milan, Paris and Zurich (Bills in other countries New York City)												Price Yield											
	\$	£	DM	¥	₹	₪	₹	₹	₹	₹	₹		3-month T-B <td>4.26</td> <td>4.46</td> <td>4.26</td> <th>Interest rate</th> <td></td> <td></td> <td></td> <td></td>	4.26	4.46	4.26	Interest rate						
Australia	1.00	0.75	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1-year T-B	4.50	4.50	4.50	Call money							
Canada	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	2-year T-B	4.75	4.75	4.75	1-month libeant							
France	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	3-year T-B	5.00	5.00	5.00	3-month libeant							
Germany	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	4-year T-B	5.25	5.25	5.25	6-month libeant							
Italy	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	5-year T-B	5.50	5.50	5.50	10-year GAT							
Japan	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
South Korea	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Switzerland	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Taiwan	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
UK	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
US	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Other Dollar Values												Gold											
	\$	£	DM	¥	₹	₪	₹	₹	₹	₹	₹		3-month T-B <td>4.26</td> <td>4.46</td> <td>4.26</td> <th>Interest rate</th> <td></td> <td></td> <td></td> <td></td>	4.26	4.46	4.26	Interest rate						
Australia	1.00	0.75	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1-year T-B	4.50	4.50	4.50	Call money							
Canada	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	2-year T-B	4.75	4.75	4.75	1-month libeant							
France	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	3-year T-B	5.00	5.00	5.00	3-month libeant							
Germany	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	4-year T-B	5.25	5.25	5.25	6-month libeant							
Italy	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	5-year T-B	5.50	5.50	5.50	10-year GAT							
Japan	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
South Korea	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Switzerland	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Taiwan	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
UK	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
US	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Forward Rates												Source: Reuters, Shanghai Bank											
	\$	£	DM	¥	₹	₪	₹	₹	₹	₹	₹		3-month T-B <td>4.26</td> <td>4.46</td> <td>4.26</td> <th>Interest rate</th> <td></td> <td></td> <td></td> <td></td>	4.26	4.46	4.26	Interest rate						
Australia	1.00	0.75	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1-year T-B	4.50	4.50	4.50	Call money							
Canada	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	2-year T-B	4.75	4.75	4.75	1-month libeant							
France	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	3-year T-B	5.00	5.00	5.00	3-month libeant							
Germany	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	4-year T-B	5.25	5.25	5.25	6-month libeant							
Italy	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	5-year T-B	5.50	5.50	5.50	10-year GAT							
Japan	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
South Korea	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Switzerland	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Taiwan	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
UK	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
US	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Source: Reuters, Shanghai Bank												Gold											
	\$	£	DM	¥	₹	₪	₹	₹	₹	₹	₹		3-month T-B <td>4.26</td> <td>4.46</td> <td>4.26</td> <th>Interest rate</th> <td></td> <td></td> <td></td> <td></td>	4.26	4.46	4.26	Interest rate						
Australia	1.00	0.75	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1-year T-B	4.50	4.50	4.50	Call money							
Canada	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	2-year T-B	4.75	4.75	4.75	1-month libeant							
France	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	3-year T-B	5.00	5.00	5.00	3-month libeant							
Germany	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	4-year T-B	5.25	5.25	5.25	6-month libeant							
Italy	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	5-year T-B	5.50	5.50	5.50	10-year GAT							
Japan	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
South Korea	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Switzerland	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Taiwan	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
UK	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
US	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50												
Source: Reuters, Shanghai Bank												Gold											
	\$	£	DM	¥	₹	₪	₹	₹	₹	₹	₹		3-month T-B <td>4.26</td> <td>4.46</td> <td>4.26</td> <th>Interest rate</th> <td></td> <td></td> <td></td> <td></td>	4.26	4.46	4.26	Interest rate						
Australia	1.00	0.75	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1-year T-B	4.50	4.50	4.50	Call money							
Canada	0.75	0.50	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	2-year T-B	4.75	4.75	4.75	1-month libeant							

Friday's 4 P.M.

The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

12 Month	Ytd	PE	Sh	High	Low	Open
High	Low	Stock				
1974	1973	1972	1971	1970	1969	1968
1967	1966	1965	1964	1963	1962	1961
1960	1959	1958	1957	1956	1955	1954
1953	1952	1951	1950	1949	1948	1947
1946	1945	1944	1943	1942	1941	1940
1939	1938	1937	1936	1935	1934	1933
1932	1931	1930	1929	1928	1927	1926
1925	1924	1923	1922	1921	1920	1919
1918	1917	1916	1915	1914	1913	1912
1911	1910	1909	1908	1907	1906	1905
1904	1903	1902	1901	1900	1899	1898
1897	1896	1895	1894	1893	1892	1891
1890	1889	1888	1887	1886	1885	1884
1883	1882	1881	1880	1879	1878	1877
1876	1875	1874	1873	1872	1871	1870
1869	1868	1867	1866	1865	1864	1863
1862	1861	1860	1859	1858	1857	1856
1855	1854	1853	1852	1851	1850	1849
1848	1847	1846	1845	1844	1843	1842
1841	1840	1839	1838	1837	1836	1835
1834	1833	1832	1831	1830	1829	1828
1827	1826	1825	1824	1823	1822	1821
1820	1819	1818	1817	1816	1815	1814
1813	1812	1811	1810	1809	1808	1807
1806	1805	1804	1803	1802	1801	1800
1799	1798	1797	1796	1795	1794	1793
1792	1791	1790	1789	1788	1787	1786
1785	1784	1783	1782	1781	1780	1779
1778	1777	1776	1775	1774	1773	1772
1771	1770	1769	1768	1767	1766	1765
1764	1763	1762	1761	1760	1759	1758
1757	1756	1755	1754	1753	1752	1751
1750	1749	1748	1747	1746	1745	1744
1743	1742	1741	1740	1739	1738	1737
1736	1735	1734	1733	1732	1731	1730
1729	1728	1727	1726	1725	1724	1723
1722	1721	1720	1719	1718	1717	1716
1715	1714	1713	1712	1711	1710	1709
1708	1707	1706	1705	1704	1703	1702
1701	1700	1699	1698	1697	1696	1695
1694	1693	1692	1691	1690	1689	1688
1687	1686	1685	1684	1683	1682	1681
1680	1679	1678	1677	1676	1675	1674
1673	1672	1671	1670	1669	1668	1667
1666	1665	1664	1663	1662	1661	1660
1659	1658	1657	1656	1655	1654	1653
1652	1651	1650	1649	1648	1647	1646
1645	1644	1643	1642	1641	1640	1639
1638	1637	1636	1635	1634	1633	1632
1631	1630	1629	1628	1627	1626	1625
1624	1623	1622	1621	1620	1619	1618
1617	1616	1615	1614	1613	1612	1611
1610	1609	1608	1607	1606	1605	1604
1603	1602	1601	1600	1599	1598	1597
1596	1595	1594	1593	1592	1591	1590
1589	1588	1587	1586	1585	1584	1583
1582	1581	1580	1579	1578	1577	1576
1575	1574	1573	1572	1571	1570	1569
1568	1567	1566	1565	1564	1563	1562
1561	1560	1559	1558	1557	1556	1555
1554	1553	1552	1551	1550	1549	1548
1547	1546	1545	1544	1543	1542	1541
1540	1539	1538	1537	1536	1535	1534
1533	1532	1531	1530	1529	1528	1527
1526	1525	1524	1523	1522	1521	1520
1519	1518	1517	1516	1515	1514	1513
1512	1511	1510	1509	1508	1507	1506
1505	1504	1503	1502	1501	1500	1499
1498	1497	1496	1495	1494	1493	1492
1491	1490	1489	1488	1487	1486	1485
1484	1483	1482	1481	1480	1479	1478
1477	1476	1475	1474	1473	1472	1471
1470	1469	1468	1467	1466	1465	1464
1463	1462	1461	1460	1459	1458	1457
1456	1455	1454	1453	1452	1451	1450
1449	1448	1447	1446	1445	1444	1443
1442	1441	1440	1439	1438	1437	1436
1435	1434	1433	1432	1431	1430	1429
1428	1427	1426	1425	1424	1423	1422
1421	1420	1419	1418	1417	1416	1415
1414	1413	1412	1411	1410	1409	1408
1407	1406	1405	1404	1403	1402	1401
1400	1399	1398	1397	1396	1395	1394
1393	1392	1391	1390	1389	1388	1387
1386	1385	1384	1383	1382	1381	1380
1379	1378	1377	1376	1375	1374	1373
1372	1371	1370	1369	1368	1367	1366
1365	1364	1363	1362	1361	1360	1359
1358	1357	1356	1355	1354	1353	1352
1351	1350	1349	1348	1347	1346	1345
1344	1343	1342	1341	1340	1339	1338
1337	1336	1335	1334	1333	1332	1331
1330	1329	1328	1327	1326	1325	1324
1323	1322	1321	1320	1319	1318	1317
1316	1315	1314	1313	1312	1311	1310
1309	1308	1307	1306	1305	1304	1303
1302	1301	1300	1299	1298	1297	1296
1295	1294	1293	1292	1291	1290	1289
1288	1287	1286	1285	1284	1283	1282
1281	1280	1279	1278	1277	1276	1275
1274	1273	1272	1271	1270	1269	1268
1267	1266	1265	1264	1263	1262	1261
1260	1259	1258	1257	1256	1255	1254
1253	1252	1251	1250	1249	1248	1247
1246	1245	1244	1243	1242	1241	1240
1239	1238	1237	1236	1235	1234	1233
1232	1231	1230	1229	1228	1227	1226
1225	1224	1223	1222	1221	1220	1219
1218	1217	1216	1215	1214	1213	1212
1211	1210	1209	1208	1207	1206	1205
1204	1203	1202	1201	1200	1199	1198
1197	1196	1195	1194	1193	1192	1191
1190	1189	1188	1187	1186	1185	1184
1183	1182	1181	1180	1179	1178	1177
1176	1175	1174	1173	1172	1171	1170
1169	1168	1167	1166	1165	1164	1163
1162	1161	1160	1159	1158	1157	1156
1155	1154	1153	1152	1151	1150	1149
1148	1147	1146	1145	1144	1143	1142
1141	1140	1139	1138	1137	1136	1135
1134	1133	1132	1131	1130	1129	1128
1127	1126	1125	1124	1123	1122	1121
1120	1119	1118	1117	1116	1115	1114
1113	1112	1111	1110	1109	1108	1107
1106	1105	1104	1103	1102	1101	1100
1099	1098	1097	1096	1095	1094	1093
1092	1091	1090	1089	1088	1087	1086
1085	1084	1083	1082	1081	1080	1079
1078	1077	1076	1075	1074	1073	1072
1071	1070	1069	1068	1067	1066	1065
1064	1063	1062	1061	1060	1059	1058
1057	1056	1055	1054	1053	1052	1051
1050	1049	1048	1047	1046	1045	1044
1043	1042	1041	1040	1039	1038	1037
1036	1035	1034	1033	1032	1031	1030
1029	1028	1027	1026	1025	1024	1023
1022	1021	1020	1019	1018	1017	1016
1015	1014	1013	1012	1011	1010	1009
1008	1007	1006	1005	1004	1003	1002
1001	1000	999	998	997	996	995
994	993	992	991	990	989	988
987	986	985	984	983	982	981
980	979	978	977	976	975	974
973	972	971	970	969	968	967
966	965	964	963	962	961	960
959	958	957	956	955	954	953
952	951	950	949	948	947	946
945	944	943	942	941	940	939
938	937	936	935	934	933	932
931	930	929	928	927	926	925
924	923	922	921	920	919	918
917	916	915	914	913	912	911
910	909	908	907	906	905	904
903	902	901	900	899	898	897
896	895	894	893	892	891	890
889	888	887	886	885	884	883
882	881	880	879	878	877	876
875	874	873	872	871	870	869
868	867	866	865	864	863	862
861	860	859	858	857	856	855
854	853	852	851	850	849	848
847	846	845	844	843	842	841
840	839	838	837	836	835	834
833	832	831	830	829	828	827
826	825	824	823	822	821	820
819	818	817	816	815	814	813
812	811	810	809	808	807	806
805	804	803	802	801	800	799
798	797	796	795	794	793	792
791	790	789	788	787	786	785
784	783	782	781	780	779	778
777	776	775	774	773	772	771
770	769	768	767	766	765	764
763	762	761	760	759	758	757
756	755	754	753	752	751	750
749	748	747	746	745	744	743
742	741	740	739	738	737	736
735	734	733	732	731	730	729
728	727	726	725	724	723	722
721	720	719	718	717	716	715
714	713	712	711	710	709	708
707	706	705	704	703	702	701
700	699	698	697	696	695	694
693	692	691	690	689	688	687
686	685	684	683	682	681	680
679	678	677	676	675	674	673
672	671	670	669	668	667	666
665	664	663	662	661	660	659
658	657	656	655	654</		

[illegible][illegible][illegible]

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
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NYSE**Friday's 4 P.M. Close**[illegible][illegible]

1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039	2039-2040	2040-2041	2041-2042	2042-2043	2043-2044	2044-2045	2045-2046	2046-2047	2047-2048	2048-2049	2049-2050	2050-2051	2051-2052	2052-2053	2053-2054	2054-2055	2055-2056	2056-2057	2057-2058	2058-2059	2059-2060	2060-2061	2061-2062	2062-2063	2063-2064	2064-2065	2065-2066	2066-2067	2067-2068	2068-2069	2069-2070	2070-2071	2071-2072	2072-2073	2073-2074	2074-2075	2075-2076	2076-2077	2077-2078	2078-2079	2079-2080	2080-2081	2081-2082	2082-2083	2083-2084	2084-2085	2085-2086	2086-2087	2087-2088	2088-2089	2089-2090	2090-2091	2091-2092	2092-2093	2093-2094	2094-2095	2095-2096	2096-2097	2097-2098	2098-2099	2099-2100	2100-2101	2101-2102	2102-2103	2103-2104	2104-2105	2105-2106	2106-2107	2107-2108	2108-2109	2109-2110	2110-2111	2111-2112	2112-2113	2113-2114	2114-2115	2115-2116	2116-2117	2117-2118	2118-2119	2119-2120	2120-2121	2121-2122	2122-2123	2123-2124	2124-2125	2125-2126	2126-2127	2127-2128	2128-2129	2129-2130	2130-2131	2131-2132	2132-2133	2133-2134	2134-2135	2135-2136	2136-2137	2137-2138	2138-2139	2139-2140	2140-2141	2141-2142	2142-2143	2143-2144	2144-2145	2145-2146	2146-2147	2147-2148	2148-2149	2149-2150	2150-2151	2151-2152	2152-2153	2153-2154	2154-2155	2155-2156	2156-2157	2157-2158	2158-2159	2159-2160	2160-2161	2161-2162	2162-2163	2163-2164	2164-2165	2165-2166	2166-2167	2167-2168	2168-2169	2169-2170	2170-2171	2171-2172	2172-2173	2173-2174	2174-2175	2175-2176	2176-2177	2177-2178	2178-2179	2179-2180	2180-2181	2181-2182	2182-2183	2183-2184	2184-2185	2185-2186	2186-2187	2187-2188	2188-2189	2189-2190	2190-2191	2191-2192	2192-2193	2193-2194	2194-2195	2195-2196	2196-2197	2197-2198	2198-2199	2199-2200	2200-2201	2201-2202	2202-2203	2203-2204	2204-2205	2205-2206	2206-2207	2207-2208	2208-2209	2209-2210	2210-2211	2211-2212	2212-2213	2213-2214	2214-2215	2215-2216	2216-2217	2217-2218	2218-2219	2219-2220	2220-2221	2221-2222	2222-2223	2223-2224	2224-2225	2225-2226	2226-2227	2227-2228	2228-2229	2229-2230	2230-2231	2231-2232	2232-2233	2233-2234	2234-2235	2235-2236	2236-2237	2237-2238	2238-2239	2239-2240	2240-2241	2241-2242	2242-2243	2243-2244	2244-2245	2245-2246	2246-2247	2247-2248	2248-2249	2249-2250	2250-2251	2251-2252	2252-2253	2253-2254	2254-2255	2255-2256	2256-2257	2257-2258	2258-2259	2259-2260	2260-2261	2261-2262	2262-2263	2263-2264	2264-2265	2265-2266	2266-2267	2267-2268	2268-2269	2269-2270	2270-2271	2271-2272	2272-2273	2273-2274	2274-2275	2275-2276	2276-2277	2277-2278	2278-2279	2279-2280	2280-2281	2281-2282	2282-2283	2283-2284	2284-2285	2285-228
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High	Low	Stock	Day	Yld	P/E	1000/Share
1.37	1.35	GOCP	12	12	12	12
1.35	1.33	GOCP	12	12	12	12
1.33	1.31	GOCP	12	12	12	12
1.31	1.29	GOCP	12	12	12	12
1.29	1.27	GOCP	12	12	12	12
1.27	1.25	GOCP	12	12	12	12
1.25	1.23	GOCP	12	12	12	12
1.23	1.21	GOCP	12	12	12	12
1.21	1.19	GOCP	12	12	12	12
1.19	1.17	GOCP	12	12	12	12
1.17	1.15	GOCP	12	12	12	12
1.15	1.13	GOCP	12	12	12	12
1.13	1.11	GOCP	12	12	12	12
1.11	1.09	GOCP	12	12	12	12
1.09	1.07	GOCP	12	12	12	12
1.07	1.05	GOCP	12	12	12	12
1.05	1.03	GOCP	12	12	12	12
1.03	1.01	GOCP	12	12	12	12
1.01	0.99	GOCP	12	12	12	12
0.99	0.97	GOCP	12	12	12	12
0.97	0.95	GOCP	12	12	12	12
0.95	0.93	GOCP	12	12	12	12
0.93	0.91	GOCP	12	12	12	12
0.91	0.89	GOCP	12	12	12	12
0.89	0.87	GOCP	12	12	12	12
0.87	0.85	GOCP	12	12	12	12
0.85	0.83	GOCP	12	12	12	12
0.83	0.81	GOCP	12	12	12	12
0.81	0.79	GOCP	12	12	12	12
0.79	0.77	GOCP	12	12	12	12
0.77	0.75	GOCP	12	12	12	12
0.75	0.73	GOCP	12	12	12	12
0.73	0.71	GOCP	12	12	12	12
0.71	0.69	GOCP	12	12	12	12
0.69	0.67	GOCP	12	12	12	12
0.67	0.65	GOCP	12	12	12	12
0.65	0.63	GOCP	12	12	12	12
0.63	0.61	GOCP	12	12	12	12
0.61	0.59	GOCP	12	12	12	12
0.59	0.57	GOCP	12	12	12	12
0.57	0.55	GOCP	12	12	12	12
0.55	0.53	GOCP	12	12	12	12
0.53	0.51	GOCP	12	12	12	12
0.51	0.49	GOCP	12	12	12	12
0.49	0.47	GOCP	12	12	12	12
0.47	0.45	GOCP	12	12	12	12
0.45	0.43	GOCP	12	12	12	12
0.43	0.41	GOCP	12	12	12	12
0.41	0.39	GOCP	12	12	12	12
0.39	0.37	GOCP	12	12	12	12
0.37	0.35	GOCP	12	12	12	12
0.35	0.33	GOCP	12	12	12	12
0.33	0.31	GOCP	12	12	12	12
0.31	0.29	GOCP	12	12	12	12
0.29	0.27	GOCP	12	12	12	12
0.27	0.25	GOCP	12	12	12	12
0.25	0.23	GOCP	12	12	12	12
0.23	0.21	GOCP	12	12	12	12
0.21	0.19	GOCP	12	12	12	12
0.19	0.17	GOCP	12	12	12	12

[illegible]

Year	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	

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Japan

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Phone Bid Delayed

Taiwan Set To Prop Up Its Bourse

Compiled by Our Staff From Dispatches

TAIPEI — Taiwan said Friday that it would make at least 200 billion Taiwan dollars (\$6.12 billion) available to buy shares, following other Asian nations' lead in moving to bolster battered financial markets. Stocks surged after the Ministry of Finance announced the creation of the fund, the principal part of a package of measures to stabilize financial markets. The benchmark stock index rose for the first time in four days, gaining 2.6 percent, to 6,829.62 points.

The finance minister, Paul Chiu, indicated that some of the gains might already be attributable to buying under terms of the stock purchase program, which he said began Friday. "The stabilization measures will enable shares to return to normal levels and restore investor confidence," Mr. Chiu said.

It is the fourth time in six months that the government has embarked on such a buying campaign and came after a string of corporate debt defaults linked to stock trades forced a government-backed bailout of two finance companies.

"The announcement gave an immediate psychological jolt to financial markets," said Lee Meyer, an analyst at ING Barings Securities in Taipei.

In recent months, a number of Asian nations have taken similar steps. South Korea abolished most of its limits on foreign ownership of stocks and bonds, and in the most dramatic such move, Hong Kong bought \$15 billion of local stocks.

In Taiwan, the market is down 16 percent since May, compared with a 7.5 percent gain in Hong Kong.

The Taiwan government said it would create a Stock Market Stabilization Task Force composed of banks, insurers, the civil service and labor pension funds, the postal deposits fund and other major institutional investors. Most of those institutions are either government or, in the case of many banks, government-controlled. (Bloomberg, Reuters)

2d Crisis Seen for South Korean Banks

By Don Kirk
International Herald Tribune

SEOUL — South Korea's weakened banking system faces a second crisis in the next few months despite a \$50 billion government program to rescue the banks from the crushing weight of more than \$200 billion in nonperforming loans, banking experts here say.

The program means that the government has once again been thrust into the business of taking over commercial banks, after having privatized most of the banking sector in recent years.

Despite this effort, however, the amount it has earmarked for salvaging the country's commercial banks will not be nearly enough and some will fail after running out of funds as a result of bad loans, according to analysts.

Five commercial banks have been forced out of business this year, leaving 22 banks scrambling for survival.

"Some more of the troubled ones have to go under," said Jason Yu, a banking analyst with Indosuez W.I. Car Securities, estimating that nonperforming loans now total 270 trillion won (\$205.25 billion). That figure, he said, amounts to 36 percent of the domestic debt owed by South Korean companies but does not include more than \$150 billion owed to foreign banks.

"We will have another major banking crisis," said Stephen Marvin, research chief at Jardine Fleming Securities in Seoul, likening the crunch confronting the banks to the credit crisis that forced the government a year ago to appeal to the International Monetary Fund for a bailout.

Mr. Marvin based his prediction on the shortage of funds earmarked

for saving the banks and lack of discipline in extending credit.

The government's plan "is conceptually correct but fatally flawed," he said. "A large portion of the money will be lent to borrowers who can't repay the money."

Mr. Marvin criticized the government for lacking "the political will or fortitude" to block excessive credit for money-losing companies even though government officials claimed they have imposed tight constraints on South Korea's huge conglomerates — the *chaebol* — in "workout programs" designed to recover financial viability.

The government is dividing a total of 64 trillion won between the issuance of bonds to provide fresh funds for ailing banks and the purchase of nonperforming assets from commercial banks at 30 percent to 45 percent of face value.

The government plans to spend most of the money for bailing out the banks by the end of the year, but will complete the program next year after some major mergers.

The program means that the government is again taking over commercial banks after having privatized most of the banking sector in recent years.

"The government is holding equity ownership in return for capital injection," said Lee Sang Mook, deputy director of the finance ministry's task force on corporate and financial restructuring. "It's to cover bad loans. They are concerned about newly emerging nonperforming assets. Most of their clients are in trouble in some way."

"In recapitalizing the banking sector, a lot of private debt is replaced by public debt," said Richard Samuelson, chief of Warburg, Dillon Read Securities in Seoul.

Typical of nonperforming loans were those issued to Kia Motor Corp., which went bankrupt last year and was purchased at auction by Hyundai Motor Co. last month. Kia's creditor banks agreed to write off about 60 percent of its debts, totaling about \$12 billion.

The takeover of banks began in January when the government purchased 95 percent of the equity in Seoul Bank and Korea First Bank, which were in danger of failing. The government hopes to auction them off at the end of the year, most likely to foreign banks, while acquiring equity in other banks, including several that are merging.

Mr. Marvin cited the effort at saving those two banks as indicative of the government's inability to cope effectively with the basic problem. "They pumped money into

them to save them from bankruptcy," he said. "And now they're almost bankrupt again."

Credit Rating Under Review

Fitch IBCA plans to review South Korea's credit rating at the end of the year because the nation is "clearly looking better," a senior Fitch official said, according to a Bloomberg News report from Seoul.

Seoul Korea has laid the foundation for the overhaul of its battered banking system and will try to set up a framework for corporate reforms by the end of next month, said Paul Rawkins, director in charge of sovereign rating, Far East, at the world's third-largest rating agency.

He said that South Korea "appears to be halfway through" a restructuring.

China Cracks Down on Futures Firms

BEIJING — Authorities in China's southern Guangdong province have shut down at least nine brokerages for illegally conducting futures trading in Hong Kong's Hang Seng index, the semi-official China News Service reported Friday.

Authorities recently fined and seized illegal profits totaling more than 2.1 million yuan (\$254,000) from five futures brokerages in Shenzhen, a fast-growing city bordering Hong Kong, the news-service said. It did not say where the other four brokerages were located.

One futures brokerage based in Shenzhen was found to have engaged in unauthorized futures

brokerage since 1982, the news-service said.

Some brokerages even engaged in domestic commodities futures trading without official approval and charged clients exorbitant commissions, it said without giving further details.

Overseas futures trading is banned in China.

Beijing has been intensifying a nationwide crackdown on illegal futures trading this year to stem losses by state companies and novice investors amid increasing market volatility caused by the Asian financial crisis. The crackdown comes amid a reorganization of the domestic futures market that will leave just three out of 14 exchanges in business.

Japan's Stimulus Plan Could Top \$180 Billion

Bloomberg News

TOKYO — A Japanese economic stimulus plan will be larger than initially expected but probably will not include a cut in the nation's sales tax, government officials said Friday.

The plan, to be detailed Monday, may top 22 trillion yen (\$180.62 billion), or more than 4 percent of gross domestic product, said a senior ruling party official, who asked not to be identified. That would be up from the ruling party's initial plan of about 17 trillion yen when loose plans for the economic package were unveiled Thursday.

"It will be fairly substantial in size," Finance Minister Kiichi Miyazawa said.

But the package, the latest in a series of efforts to lift the economy out of recession, will not include a cut in the 5 percent consumption tax, said the government's chief economic planner, Taisi Sakaiya. The tax was raised from 3 percent last year.

"There's too much political strife for consumption tax cuts to be passed easily," said Paul Benson, a capital markets manager at West-deutsche Landesbank.

The governing Liberal Democratic Party's initial 17 trillion yen stimulus plan called for more than 10 trillion yen in public works spending and 7 trillion yen in tax cuts. The cuts were to include 4 trillion yen in income tax cuts, the lowering of the top income tax bracket to 50 percent from 65 percent and a reduction in the corporate tax rate to 40 percent from 46 percent.

The party also called for the distribution of 700 billion yen in gift certificates to encourage Japanese to buy consumer goods. The package is also likely to include some 5 trillion yen in additional measures, including funds for the government's Japan Development Bank to make loans to companies that cannot get bank loans because of the credit crunch, officials said.

The government also plans to give credit guarantees for bank loans to promote lending, they said.

Investors, who sold stocks Thursday on skepticism about the original plan, were more enthusiastic Friday, lifting the Nikkei average of 225 stocks by 193.15 points, to 14,268.21.

ALCATEL: Burned by the Market, Company Vows Transparency

Continued from Page 11

plants with the loss of 30,000 jobs. He became a darling of investors, but analysts said, raised expectations too high. Had it not been for excessive hopes and had it not just concluded the DSC deal, the analysts said, Alcatel's problems might have been written off as a casualty of the global economic downturn. What caused the share collapse was not just the figures but a fundamental loss of confidence in the direction the company was heading.

Alcatel reported a tenfold increase in profit for the first half of 1998, to 15.2 billion francs, but this result was inflated by the sale of the company's share in GEC-Alsthom, a manufacturer of trains and heavy equipment. Income from operations increased to 2.3 billion francs in the first half of 1998 from 2 billion francs in the corresponding period in 1997, and total sales for the same period increased 2.5 percent, to 61.6 billion francs, the company said.

What sent investor confidence plunging Sept. 17 was Mr. Tchuruk's admission of a dramatic slowdown in sales, not only in emerging markets but to the company's traditional customers in Europe, where orders had shrunk by as much as 37 percent.

"It was not the result that had been expected," Mr. Prabhu acknowledged.

In the future, Alcatel said it

would issue quarterly reports on earnings and prospects — a recognition that damage could have been limited had it taken the trouble to properly inform the U.S. institutional investors who held an estimated 50 percent of its stock.

The company this week announced a major reshuffling of management and introduced procedures to improve internal reporting. In the past, the corporate structure was based on semi-autonomous satellites dealing with monopoly public operators. With the deregulation of European telecommunications markets, the company was reorganized around 10 profit centers. The latest reorganization, a spokesman said, is aimed at improving coordination between profit and geographical centers.

The telecommunications unit now will focus on three core markets: public networks, the information highway, and the business and general public sector.

Mr. Prabhu said that with the reorganization completed, the company is now well positioned to cope with the explosive growth of communications engendered by the Internet. Telecommunications and electronics now account for two thirds of its activities, and other sectors, such as cables and components, are closely related to the core business. As part of the management shake-up this week, Mr. Prabhu, an

American, was put in charge of the telecommunications sector and appointed to the executive committee.

In moving into the American market, Alcatel faces heavy competition from powerful rivals such as Lucent Technologies Inc., Cisco Systems Inc. and Nortel Networks Ltd.

However, Mr. Prabhu said the acquisition of DSC had given the company a "critical mass" in the United States, where it would concentrate on building "Internet-friendly" products and systems, such as a Web-surfing screen phone now being tested in Europe.

It has also developed superfast cable connections that could within months replace modems in personal computers.

Mr. Prabhu said Alcatel was working on networking solutions that would allow

public operators and corporations to handle the ever larger data flows created by the Internet.

The company is concentrating on increasing capacity on existing systems — by as much as 100 percent on local area networks — and on bridging the differences between mobile and fixed phone networks and on providing seamless voice-and-data systems.

The company also is developing "intelligent networking" solutions that would, for example, enable secure credit card transactions on the Internet.

Mr. Prabhu said Alcatel was able to bring a global perspective to a market dominated by industry giants like Lucent.

"They still get their business from the United States and the bulk of that from AT&T," he said.

GIOVANNI AGNELLI & C.
Società in accomandita per azioni
Via del Carmine 10 - Turin (Italy)

The Board of General Partners of Giovanni Agnelli & C. S.p.A., meeting in Turin under the Presidency of Giovanni Agnelli, decided to make a Public Purchase Offer for the shares of its associated company Exor Group, quoted on the Luxembourg Stock Exchange. The offer will be launched through a newly constituted Luxembourg company controlled by Giovanni Agnelli & C. and will have as its objective the entire capital stock of Exor Group excluding the shares owned by Giovanni Agnelli & C. S.p.A. (8.5% of preferred stock) and by its controlled company IFI - Istituto Finanziario Industriale (24.8% of ordinary shares and 5.7% of preferred shares). The bidder reserves the right not to accept the shares offered, if less than 50% of the ordinary shares and of the preferred shares are tendered. With this transaction Giovanni Agnelli & C. intends to gain control of Exor, together with IFI, and to offer to the Exor shareholders the opportunity to dispose of their shares, considering the limited volume traded at the Luxembourg Stock Exchange. Exor's activities include 19% of Club Mediterranée, 75% of Chateau Margaux, 19% of Société Foncière Lyonnaise, 20.3% of Rockefeller Center Properties Inc., 30% of the American company Riverwood International, 5% of the trading company Li & Fung, 5.6% of Albatros Investissements, 5.2% of Espirito Santo Financial Group, together with portfolio investments and liquidity. If this offer is successful, Giovanni Agnelli & C. intends to privatize Exor, requesting that it be delisted from the Luxembourg Stock Exchange. The tender offer is voluntary and provides that the entire payment will be in cash. The offered price will be \$104.50 per ordinary Exor share and \$105.50 per preferred share, taking into account the differences shown between the two categories of shares over the past six months. These prices correspond to a premium of about 10% over the average quotations of the past six months. The value of the bid, in case of total acceptance, would amount to about \$1.6 billion. Giovanni Agnelli & C. arranged adequate financial means to cover this investment. The technical details of this offer will be announced as soon as they have been defined. This transaction will strengthen and simplify the structure of the Group.

Philippine Phone Bid Delayed

Bloomberg News

MANILA — First Pacific Co.'s attempt to take over Philippine Long Distance Telephone Co., the nation's largest telecommunications concern, could be delayed by at least a month after a rival bid emerged Friday.

Alfonso Yuchengco, a board member and former chairman of the company, invoked a clause that allows him to match First Pacific's bid for control of PLDT, a banker familiar with the transaction said. The takeover, which could be worth as much as \$750 million, would be the largest over in the Philippines.

PLDT's chairman, Roberto Romulo, said an acquisition announcement would be made "early next week." He declined to say whether First Pacific, a Hong

Kong-based holding company of Indonesia's Salim Group, would win its bid.

"I'm confident whatever is coming out will be good for PLDT," he said in Kuala Lumpur, where he is one of several business executives meeting during the annual Asia-Pacific Economic Co-operation forum.

Mr. Yuchengco, the Philippine ambassador to Japan until June, owns a little more than 1 percent of PLDT's shares. The bank he founded, Rizal Commercial Banking Corp., handles many PLDT accounts, including dividend checks on its stock.

Mr. Yuchengco's decision to exercise his right of first refusal may do little more than delay a winning bid by First Pacific, said Sammino Mejia, head of research at Guoco Securities Philippines Inc.

Investor's Asia

Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong Hang Seng	11000	9,997.99	9,948.18	+0.50
Singapore Straits Times	1300	1,206.91	1,197.19	+0.81
Sydney All Ordinaries	800	2,681.30	2,708.30	-1.00
Tokyo Nikkei 225	17000	14,268.21	14,075.08	+1.37
Kuala Lumpur Composite	400	465.08	460.77	+0.94
Bangkok SET	300	333.59	333.06	+0.16
Seoul Composite Index	400	404.30	403.52	+0.19
Taipei Stock Market Index	6000	6,829.62	6,654.79	+2.63
Manila PSE	1,700	1,711.98	1,734.15	-1.28
Jakarta Composite Index	350	355.54	357.98	-0.68
Wellington NZSE-40	1,900	1,994.91	2,014.71	-0.98
Bombay Sensitive Index	2,900	2,976.12	3,008.57	-1.11

Source: Reuters
Intern. and Herald Tribune

Very briefly:

- Matsushita Electric Works Ltd., the maker of lighting equipment and building materials, said it would reduce its work force by about 10 percent over the next three years as part of its efforts to streamline.
- Japan's nine oil refiners and wholesalers posted a total pretax loss of 6 billion yen (\$49.1 million) for the six-month period ended Sept. 30, the first interim loss since 1985, the Petroleum Association of Japan said.
- Dai-ichi Kangyo Bank Ltd. sold 30 percent of CITI Group Inc. for \$1.3 billion, trading its controlling stake in the U.S. finance company for cash to bolster its balance sheet.
- Japan's Securities and Exchange Surveillance Commission, a securities-industry watchdog, issued a warning to the Tokyo-based unit of Dresdner Bank AG about falsifying securities trading reports: Dresdner Kleinwort Benson (Asia) Ltd. submitted false reports in 18 instances, the commission said.
- China's investment in plant and equipment rose 28.4 percent in October compared with the like month a year ago amid government efforts to boost economic growth by maintaining spending on infrastructure.
- Singapore approved the setting up of the country's first real estate investment trust, lifting property stocks.
- Nomura Securities Co. named three Tokyo-based executives to manage global risk after large losses abroad prompted the company to bring its risk-management operations back to its home office.
- Aetna Inc., the largest U.S. health insurer, said it hoped to expand into Malaysia's health insurance market, the national news agency Bernama said.
- Japan Tobacco Inc., the nation's sole domestic cigarette maker, said its first-half net income rose 29 percent to 43.3 billion yen on higher sales at its drugs and food businesses.
- Fuji Photo Film Co. said a lower tax burden helped lift first-half earnings 2.5 percent to 51.48 billion yen, offsetting a drop in operating profit caused by falling demand and prices for film in Japan and Asia.

Bloomberg, Reuters, AP

Global Investors in European Real Estate Summit

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- Capital Markets Embrace the Euro: end of the dark period?
- Forces changing Global Real Estate Markets: yes, you should care.
- Entertainment, Factory Outlets and Power Centers: hype and reality.
- Corporate Megaprojects and State Self-offs: what's new, what's dead?
- Eastern and Emerging Europe: prospects and pitfalls ... and 12 more

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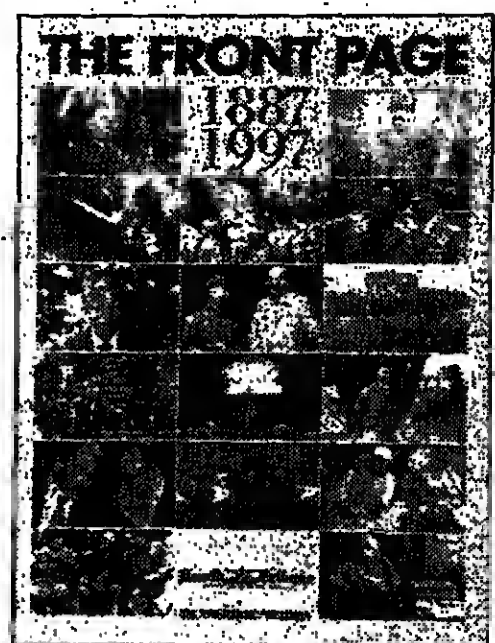


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Around the Marketplace in an Uncertain World With 5 Investors

By Aline Sullivan

WHAT ARE THE best stocks to own in an uncertain world? That was the topic of The Money Report's second annual roundtable discussion at the Algonquin Hotel in New York. Five professional investors joined the editor, Mitchell Martin, and a reporter, Aline Sullivan, on Nov. 5 for a debate on the opportunities in today's volatile markets.

Three of the investors were joining us for a second year: Jean-Marie Evellard, president and portfolio manager at SocGen International Fund; Michael Levy, managing director and head of international equities at Bankers Trust and manager of the BT Investment International Equity Fund; and Peter Canelo, U.S. investment strategist at Morgan Stanley Dean Witter.

The two new faces—Caesar Bryan, senior vice president of Gabelli Asset Management Co., and Raj Gupta, partner and head of macro investments at Omega Advisors—broadened the international perspective.

Ms. Sullivan: The world has changed a lot since we last met. Let's start by

earnings and psychology. Rates are clearly favorable. Earnings are a bigger problem and one which I am greatly concerned about. Growth forecasts seem to be coming down all over the place. But the really tricky problem is the psychology. We are not used to this. We are used to demand and inflation picking up and the Federal Reserve Board raising rates. This is different. It is best to be fully invested but very careful about where.

Mr. Evellard: I agree with Michael that there are pockets of opportunity but they are certainly not in the big stocks of the U.S. or Europe. These are vastly overvalued now. But that doesn't mean they won't become even more overvalued in the near term.

Mr. Gupta: There are spurts of liquidity that make it difficult to call the stock market on a day-to-day basis. But a very clear trend is emerging now: There are broad signs of weakness in the U.S. and Europe while consumer confidence has turned down very significantly and is already at record lows in Japan. Bond yields are low and heading lower. The outperformance of bonds versus the average stock is already quite extraordinary. At the same time, the banking sector in all major countries is underperforming the underlying index. That's a clear premonition of the global credit crunch that is coming.

Mr. Canelo: The bear market in small companies in the U.S. and the panic in big-cap stocks is over. I think U.S. stocks are fairly valued and I think the U.S. economy will surprise everybody here.

Ms. Sullivan: Why are you so much more positive than the others here?

Mr. Canelo: A lot of people think earnings are going to go down. I think they are going to go up. In large part, that's because the percentage base is so easy. The huge declines in technology earnings in the first half of the year, in autos in the middle and banking at the end means that we are going to see a pretty impressive increase next year, maybe 10 percent. Also, the American economy is doing very well. But the Federal Reserve will continue to lower rates because manufacturing exports are still weak. The dollar may go to the mid 1.50s against the mark [down from the current 1.68]. That will help stem some of the deflationary pressure that we are seeing on materials prices. I think the world will see us in 1999 as the best place to be invested in equities.

Mr. Evellard: So we are an oasis?

Mr. Canelo: We absolutely are.

Ms. Sullivan: Isn't it a little good luck that the U.S. has so far withstood what is otherwise a global economic crisis?

Mr. Canelo: It's not luck, it's a good policy. We reduced our tax rates and reduced the levels of regulation. The president has basically governed as a centrist Republican. Early next year, he will try to ensure his legacy by partially

RAJ GUPTA
Omega Advisors

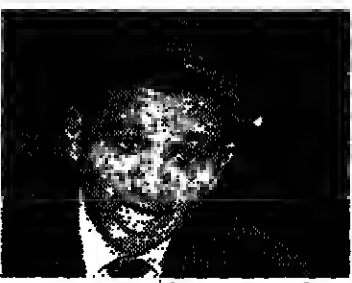


Photo by Anand R.A. Bhowmik

"The Asians have been through a lot of pain and they expect nothing. That is usually the starting point for a major bull market."

privatizing the social security system. That will divert 2 percent of U.S. personal income into the financial markets. That's 2 percent of \$7 trillion. That's one of the reasons I think the market will go to new highs before the end of the first quarter and maybe even before the end of this year.

Ms. Sullivan: Michael, when you mentioned pockets of opportunity, were you thinking of the U.S.?

Mr. Levy: I have no problem with certain stocks in the U.S. I like Air-Touch Communications Inc., which has tremendous assets in interesting companies overseas. The stock is selling in the low \$50s; it should be in the low to mid-70s in the next 12 months. I also like USEC Inc., which has 40 percent of the global market for enriching uranium ore. It's selling for roughly \$15 and has a current yield of 7.5 percent, with a progressive dividend policy.

But I think this latest bounce back has gone ahead of itself, Peter. There is clear liquidity for stocks. But one has to question where it is coming from. Unfortunately, there may be a link between this and the negative savings rates in the U.S. The fact is that people are spending an enormous amount of their disposable income.

Mr. Canelo: Absolutely. Spending big time and putting huge amounts of money into money-market mutual funds. That's called savings, \$50 billion a month.

Mr. Levy: People are refinancing homes and buying goodies for Christmas, too. [The participants all agreed that there is currently a refinancing boom in the U.S.]

Mr. Canelo: That's one of the reasons this economy is going to surprise you. You buy a house now and you have to put things in over the next year.

Mr. Levy: But housing is the only part of the economy that is in remotely good shape.

Mr. Canelo: No, that's not true at all. Regional banks like First Union, Mel-

ion Bank, Bank of New York, look incredibly good value now. But so do retailers like Home Depot Inc.

In the tech area, which is my favorite, we are beginning a new cycle with new and faster machines. Europeans are behind on the year 2000 problem and are going to buy our software and equipment. There is great opportunity in Intel Corp., International Business Machines Corp. and Cisco Systems Inc. I also like pharmaceuticals. What is happening in Thailand absolutely has no effect on Eli Lilly & Co. or Warner-Lambert Co. These are driven by demographics and as baby boomers get older these are going to be fantastic stocks to own.

Ms. Sullivan: What about Microsoft Corp. and Bill Gates's difficulties?

Mr. Canelo: I think he is going to win. The computer companies have always bested the government.

Ms. Sullivan: Jean-Marie, what's your view on the United States?

Mr. Evellard: The market is so broad that there are bound to be a few securities that provide decent or good absolute value. But it's like trying to find a needle in a haystack, particularly since small stocks bounced back 15 percent or 20 percent over the past month.

By the way, managers who talk only about relative values are taking the overall market for granted. That is a potentially dangerous game. If you had played the relative value game in Tokyo in the late

1980s, you would be half dead today.

Mr. Gupta: The best way to look at savings is to look at the current account deficit and subtract the government deficit from that. That number in the U.S. is really quite extraordinarily low. Basically, foreigners are funding the liabilities of U.S. assets.

Mr. Martin: Can we expand on that?

Mr. Gupta: Over the last 10 years, the U.S. cumulative account deficit has been about 10 percent of gross domestic product. So the U.S. actually borrowed from the deficit about 10 percent of its GDP. It's not a problem as long as foreigners want to buy U.S. assets. But they will withdraw some of this capital when they become dissatisfied with the investment opportunities available in the U.S.

Ms. Sullivan: Do you see signs of that happening now?

Mr. Gupta: The dollar is the key sign. It has taken a dramatic turn against the mark and the yen. Japanese investors invested about 10 trillion yen in foreign assets at between 135 and 145 to the dollar between 1995 and 1998. That trade has gone sour in a very big way. They are sitting on a 2 trillion yen loss. That will make them determined liquidators of those investments.

Ms. Sullivan: Are any investments particularly susceptible to this Japanese exodus?

Mr. Gupta: One of my favorite trades will be to short the dollar in the next 12 months. My view is that you should go with the Fed, but much more aggressively than most people realize—enough to really bet on a very sharp drop in U.S. interest rates and outperformance by the bond market.

Mr. Martin: That could be good for the stock market unless the economy stops growing.

Mr. Gupta: That is exactly right. Many small-cap stocks are undervalued. Some have been extremely overvalued. The credit crunch would have to get quite out of control in the U.S.—more so than it did in the 1990s—before you would see such a restriction of credit to small companies that they would start to go out of business.

Mr. Canelo: I agree that shorting the dollar is a good trade. But let me give you a different perspective on the dollar. From April 1995 until this August, the trade-weighted dollar rose 30 percent. That is one of the precipitating causes of the

problems you have seen around the world. Of course, emerging markets have other problems, such as crony capitalism.

Mr. Evellard: Oh, crony capitalism is a minor factor. Look at the U.S. coming to the rescue of John Meriwether [head of the failed hedge fund Long-Term Capital Management LP].

JEAN-MARIE EVELLARD
SocGen International Fund



"We seldom get involved in bank stocks because it seems to me that bankers always find a way to hurt themselves."

Mr. Canelo: The strong dollar has made it harder for emerging markets to export, harder for them to pay their debts. Half of them devalue, making it even more difficult. A strong dollar makes internationally traded commodities, which are all priced in dollars, much more expensive. That cuts the demand for oil, paper, metal.

The decline of the dollar, now 10 percent on a trade-weighted basis since President Bill Clinton's problems began to erupt in July, is actually part of the solution to the problems of the international markets. It is also the solution to the problems of our exporters.

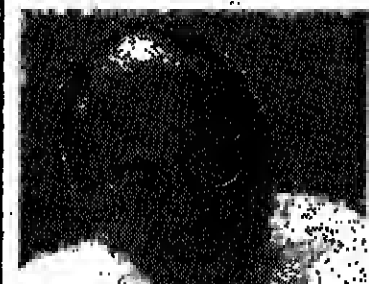
The Fed's job is to save the world. I don't think it can do that. But at least it can save the United States from the world.

Mr. Levy: But our exports, Peter, will do nothing for the emerging markets. They were all planning to export to the United States. It is a circuitous argument.

Mr. Canelo: But all of the emerging

Continued on Page 19

PETER CANELO
Morgan Stanley Dean Witter



"The bear market in small-caps is over. I think U.S. stocks are fairly valued and I think the U.S. economy will surprise everybody."

asking how each of you feels now. Does the volatility of recent weeks signal imminent doom? Or are we still in a bull market in the United States and Europe, and on the road to recovery elsewhere?

Mr. Levy: Investors can make money through all of this. In fact, through equity investing I think we will make money. There are pockets of opportunity throughout the world. But we haven't seen the end of volatility and that calls for a more cautious stance. We have to look for stocks that will make money in a very difficult, confused financial market and economic environment.

Mr. Bryan: Look at interest rates,

Big Guys Offer a Smooth Global Ride

ASIA BECKONS, but Russell Hawkins resists its blandishments. He is the manager of the international stock mutual fund that Value Line currently ranks number one, and, of his top 60 holdings, none is based in an Asian country.

On Friday, I presented the case for Asia, where stocks, while soaring lately, are still 50 percent below their levels when the financial crisis broke last year. But Asia is for those gutsy investors who can stand a lot of volatility; wild ups and downs are practically guaranteed in the months and years ahead.

There's another alternative for investors who want global exposure but a smoother ride, and funds like Dreyfus Premier Worldwide Growth, which Mr.

Hawkins directs, can provide it. The beef Mr. Hawkins has with Asia is that most of its companies seem to be run more for the managers than for shareholders, and the income statements and balance sheets of these firms are not particularly transparent.

Asian companies, he says, lack "visibility." Nor does he own stocks in any emerging markets—Asian, Latin American or European. "Globalization," he says, "plays into the hands of large corporations instead of small."

He prefers the big guys, who can send their goods across borders to compete with local companies.

He is not the only one. Helen Young, Hayes, manager of Janus Worldwide, has also found that a blue-chip, non-Asian approach works in global investing. Of her top 20 holdings, only one, Sony Corp., is based outside the United States or Europe. The fund ranks No. 3 among its peers in total return for the past five years.

Samuel Mitchell and Christopher Niemczewski at Marshfield Associates, a Washington money-management firm, have written clients to say that they favor "companies with strong and growing global market positions," and that "going global is tantamount to going to where the growth is." After all, 83 percent of the world's population lives outside the United States, Europe and Japan.

But, to "minimize avoidable errors," the Marshfield folks are not buying Asian companies—or Euro-

pean. "We have limited our global investments to businesses that American companies tend to dominate and to companies whose accounting we trust and whose managements are intensely focused on maximizing cash returns on capital," they say.

That's an excellent strategy. Among the global U.S. firms Marshfield likes: McDonald's Inc., Walt Disney Co. and PepsiCo Inc.

The Dreyfus and Janus funds have significant holdings of U.S. stocks and are thus classified as "global," rather than "foreign." For example, the headquarters of 25 percent of the companies that Ms. Hayes owns are in the United States, with 64 percent in

Europe (mainly Britain, France, the Netherlands and Switzerland). Sixty percent of Mr. Hawkins's companies are based in America, but sales are divided about 50-50 between the U.S. and other countries, and it is the ability of the companies to expand geographically that should allow them to keep compounding their earnings.

Mr. Hawkins looks for companies with a proven record of growth. From the start of 1986 through Sept. 30 of this year, the average stock among his current top 15 holdings has risen 21 percent annually, compared with 14 percent for the stocks of the Dow Jones industrial average, 13 percent for Germany's DAX and 3 percent for Japan's Nikkei.

This kind of growth means high prices, but Mr. Hawkins is not worried. "If you've got good visibility of earnings," he says, "there aren't many stocks that are too expensive."

Lately, his fund has been favoring drug companies, which use their cash flow to make heavy investments in new products, which in turn have built-in patent protections against competition. His No. 2 holding is Merck & Co., which trades currently at a price-to-earnings ratio of 34—but which is posting 15 percent-a-year earnings growth.

"My idea of a great stock is one where the cost of the first copy of a product costs \$2 billion and the next copy costs one cent," he says.

Software companies meet that de-

scription, which is why Ms. Hayes makes Microsoft Corp. her number-two holding, and so do drug stocks, which is why Mr. Hawkins owns Pfizer Inc., Roche Holdings Ltd. of Switzerland, Johnson & Johnson, and Bristol-Myers Squibb Co.

Most of the world's best drug companies are American, but among the Dreyfus fund's top 15 holdings are British Petroleum Co., Pearson PLC of Britain, the diversified media and entertainment company that owns the Financial Times; L'Oréal SA, the French cosmetics company; and Nestlé SA, the Swiss packaged-food concern.

Other foreign stocks that Mr. Hawkins owns (and that you might want to crib for your own portfolio): AXA-UAP SA, the French-based insurance

group that also owns a majority of U.S.-based Equitable Cos., which in turn owns much of the broker Donaldson, Lufkin & Jenrette and Alliance Capital Management; Daimler-Benz AG, the German automaker that just completed its merger with Chrysler Corp.; Telecom Italia SPA; Royal Dutch Petroleum, the oil giant that owns Shell; and Christian Dior SA, the luxury conglomerate that owns Louis Vuitton luggage and Moët et Chandon Champagne.

The top holding in the Janus fund is Rentokil Initial PLC, a British environmental services company. Other foreign stocks that Mr. Hayes owns include Akzo Nobel NV, the Dutch health-care and chemicals company; Lloyds TSB Group PLC, the British financial services firm; and Novartis AG, the Swiss pharmaceutical giant.

But while the Janus fund is superb, allow me to rapsize over how well Dreyfus Premier Worldwide is managed. Portfolio turnover over the past four years has averaged less than 10 percent (compared with 80 percent for the Janus fund), indicating that Mr. Hawkins likes to keep his stocks for 10 years or more.

The only drawback is a load that, depending on how much you invest, can run up to 5.75 percent.

Whatever your choice, do not neglect global investing. And, for the fearful, the blue-chip route, with ample dilution in U.S. stocks, may be the most comfortable way to travel.

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Impediments to a recovery in developing stock markets and economies remain, but at the bottom in the beaten-down markets may be in place. So says Mark Mobius, head of the emerging-markets division at the fund manager Franklin Templeton Group and one of the pioneers of emerging-markets investing.

"Optimism is beginning to return to some of the emerging markets — not all, of course, but we are seeing some dramatic rises in the prices of some of the emerging-market stocks, particularly in Asia," he said.

"Of course, this isn't surprising, since we've started

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from very low prices," he added. "The declines in emerging markets have been as much as 70 or 80 percent, even 90 percent in some cases, and the percentage change from a low base can be very dramatic."

Mr. Mobius has reason to be cautious. He has a brilliant long-term record, but was caught flat-footed last year when Asian and other developing markets peaked. Many of the funds he controls performed dismally, even compared with similar funds.

The rebound in share prices belies the lingering economic turmoil in Asia, where many companies remain saddled with debt denominated in foreign currencies that have appreciated strongly against local currencies.

"It will take time for them to pay back these loans," Mr. Mobius said. "Some of the companies will not survive. Some will survive, but it will take time for them to reach a strong financial position."

A heartening sign is that foreign investors who can afford to wait — mainly operating companies rather than portfolio managers — have been coming back into emerging markets "in search of very

Mr. Mobius also said that hedge funds' difficulties were actually a hopeful sign.

"With the hedge fund crippled as a result of the Long-Term Capital Management disaster, they are going to find it much more difficult to get loans from banks," he said. "In shorting the market

said. "In shorting the market with the great sums available to them, they were able to push prices down to unreasonably low levels. Now, without that kind of leveraging, we think they are going to be less and less of a force in these markets." (H)

Talk of Buybacks May Be Just That

Several closed-end funds listed on American stock exchanges have announced plans in recent weeks to bi-

back shares. But Thomas Herzfeld, an investment adviser who specializes in closed-end funds, said that while buybacks were generally good news for investors, the announcements should be treated with circumspection.

A closed-end fund is a pooled investment, like a mutual fund, only the number of shares outstanding is fixed and subject to supply and demand. Because the funds have not been coveted by investors, many trade at deep discounts to the value of the holdings in their portfolios. Buyback programs are usually intended to narrow the discounts.

That can occur for two reasons, Mr. Hertzfeld said. The first is straightforward: When the fund buys its shares at a discount, the net-asset value for the remaining shareholders rises.

He used the example of a fund with \$100 million in assets and 10 million shares issued, making each one worth \$10. Say the fund is trading at \$9, a 10 percent discount. If the fund buys back 1 million shares at that price, what is left is a fund with assets of \$99 million spread over 9 million shares. That makes the net asset value per share \$10.11, or 1.1 percent higher.

The less technical, but possibly more important, factor is that the buying of shares boosts demand for the fund in the market and creates an impression that the managers are taking firm steps to reduce the discount.

Mr. Herzfeld adds

however, that managers do not always follow through on buyback announcements. "When it comes to share buybacks among closed-end funds, many funds maintain the authorization to repurchase their own shares in the

open market, but only a handful of significant numbers of shares," he said. Some funds even go to the trouble of reiterating their buyback policy in every report to shareholders, yet never buy back a single share, he added. (H)

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The data in the list above is the most recently supplied by the fund groups to Standard & Poor's Mideast SA. It is collected and reformatted into the list several times a year. The data is not an offer by the MIT or Standard & Poor's Mideast to get securities or investments of any kind. Investments can fail as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified professional before investing.

THE MONEY REPORT

Scanning the World's Volatile Markets for a Few 'Pockets of Opportunity'

Continued from Page 17

plots that are in trouble are linked to dollar.

Mr. Levy: But who is going to buy exports?

Mr. Canelo: The non-dollar world.

Mr. Canelo: No, Europe.

Mr. Bryan: That will be a first, higher all around.

Mr. Martin: Everyone will agree that U.S. is not big enough to by itself pull world out of a deflationary spiral, but about Europe?

Mr. Levy: We still like Europe. It is suffering from as dramatic a case of overvaluation as the U.S. It also has a higher earnings-growth potential. Consumers are coming alive in core Europe. Employment is bottoming. Fiscal policy is on the cards now that the austere criteria have been met. Yes, Europe will do better than the U.S.

Mr. Evillard: I am not very positive out Europe. If you look at the three big economies — Germany, France and Britain — the people in charge, well, they are like in that they don't believe in anything now. But 20 years ago, they were anti-Marxists. If at any time in the next 10 years, it looks like the populations in these countries are voting to the left, see guys will go back to their roots.

Also, big European stocks are almost as expensive now as the big American stocks. In small stocks are another matter. They are done terribly for almost 10 years, so that most institutional investors in continental Europe think there is no way they are going to do better. They say because it is warmer inside the herd, but there is much profit in breaking out, but there is a tremendous valuation gap between big and small stocks in Continental Europe. I am a great believer that over time value will be recognized, if not by individual or institutional shareholders, then by corporate acquirers.

Mr. Gupta: We are getting into a situation which happens in Europe at pretty regular intervals. Monetary authorities and the governments will be in conflict with each other. The markets will not wait for this conflict to be resolved. They will respond by pushing the euro sharply higher against the dollar.

People underestimate how much the strong dollar has helped the earnings of large-cap Europeans and they underestimate how much it will hurt their earnings on the way down.

One of the more attractive plays in Europe now is to short German equities. The reason, I think, Germany is that the large-cap stocks there are mainly cyclical and financials. All the advance indicators of growth in Europe are pointing down and the exporters are leading that trend. On the financial side, I think that disclosures about the poor reserves and bad acquisitions have just begun.

Mr. Levy: I agree that there are definitely a lot of booby traps in the European financials and that most of the stocks are to be avoided. But some were very conservative and were still beaten down very badly. Look at ING Groep NV. It has been incredibly punished because of its perceived exposure to emerging markets.

Mr. Evillard: It has been punished because it has made big mistakes.

Mr. Levy: It has made some mistakes. But ING pulled out of Latin America before the problems. This is one of the best-run companies in the world. The Dutch, and ING management in particular, have an uncanny aversion to losing money. I like that. When they know that they have made a mistake, they cut their losses. This stock is going to trade at 160 guilders [up from its current 96].

I think there are other pockets of interest in this uncertain environment. Urban services, for instance. Last year, I mentioned Suez Lyonnaise des Eaux SA. That is still a great stock. The management is

doing absolutely everything right to create value for shareholders, making the company the leader in waste management in Europe. It's trading at just a bit over 1,000 francs but is worth 1,400, easily.

A related company, Formento de Construcciones y Contratas SA in Spain, is trading at 7,870 pesetas and should be up at 9,000 or 10,000 pretty quickly. Societe Generale d'Entreprises SA, a large construction company in France, is another. Its management is actually focusing on how to make money, not how to be big. It's ridiculously undervalued: The stock should double in the next few months.

Mr. Canelo: I am surprised that no one has mentioned AXA-UFAP SA.

Mr. Levy: AXA is great as well. So is Credito Italiano SPA. These stocks were thrown out with the bath water. Financial services will be an interesting area in Europe as the private sector takes more responsibility for retirement.

There is great opportunity in domestic banking and financial services companies that are serving the demands of more sophisticated financial consumers.

The Bank of Ireland, for example. A very interesting and very conservatively managed company. It has great gearing to the Irish economy, which is struggling not to exceed 8 percent growth this year. We could easily see shares rise to 15 pence from 10 pence now.

Bayerische Hypo- und Vereinsbank, the biggest mortgage banker in Europe, is another. Its exposure to East German real estate shocked everybody, but it is a basically very sound bank with creative management. We could easily see 170 marks, up from 120 now.

Argentina in Spain is a similar opportunity. Again, very strong in the consumer and mortgage area. Plus, the chief executive has a major stake in the company. Shares could rise to about 4,000 pesos from 3,100 now. Erste Bank der Oesterreichischen Sparkassen

AG in Austria: We are looking at 900 schillings from 630 today.

Mr. Bryan: I also own Bank of Ireland shares. I don't think we have heard the last of the Russia situation and many European banks have been really aggressive

now they have done it again. The European banks — the big ones, not the ones Michael mentioned — are more exposed than American banks, not only to Russia but also to Asia, oddly enough. They are even more exposed to Latin America.

And I think that Brazil has big problems. It has a choice between letting its currency go, which the politicians don't want to do, or having a serious recession.

Mr. Gupta: It is going to have a serious recession either way.

Ms. Sullivan: That brings us to Asia, and the emerging markets generally. What is your outlook there, Raj?

Mr. Gupta: Asian economies have depreciated their currencies very significantly and they have all managed to keep inflation under control. Almost all the countries in the region are running a current-account balance or a very substantial surplus.

In addition, they have all managed to negotiate some kind of debt write-down.

In the case of South Korea, the banks were convinced by the IMF to extend the majority of short-term debt. In the case of Indonesia and Thailand, the banks were forced to write off the debt because there is nobody there to pay it.

They've all had double digit economic contractions: Domestic activity has plunged 20, 30 even 40 percent.

The Asians have been through a lot of pain and they expect nothing. That is usually the starting point for a bottom and a major bull market.

Contrast this with Latin America, where almost everything is wrong. Apart from Mexico, the countries want to control the value of their currency. But current accounts are at cycle highs and deteriorating. In addition, there is no question of debt write-downs because there is no crisis yet. This is really not a sustainable situation. In my view, one should be looking to buy Asia and short Latin America.

Mr. Evillard: We seldom get involved in bank stocks because it seems to me that bankers always find a way to hurt themselves. Every few years they do and

are Hong Kong and South Korea. The other countries do not have companies with enough depth to survive this. Japan is a completely different animal. It is a rich country. Rich countries have options that are not available to poor countries.

Japan has chosen at every step of the way to misuse its options. This has been a prolonged bear market, the longest I can think of.

Mr. Levy: It is still roughing, actually. We are still in the process of making new lows in Japan. Eight years into a bear market, that is pretty extraordinary.

Mr. Bryan: Among the smaller companies in Europe I am interested in are Independent Newspapers PLC in Ireland, which has a really terrific position in Ireland and properties in New Zealand and South Africa.

Mr. Evillard: We own that, too.

Mr. Bryan: Radio is also very interesting. We own NRJ, a radio company in France. Also, Pathe SA in France. In Switzerland, there are a couple of cheap stocks: Swatch Group and Moevenpick Holding AG. We are also interested in some gold companies. The gold market looks like a baby. Aoglo Gold Ltd. and Gold Fields of South Africa Ltd., both in South Africa and both new companies which are worth looking at.

Mr. Levy: A couple of Japanese stocks. Takeda Chemical Industries Ltd., a company that I mentioned last year, has done very well and has another 20 percent to go. It is still an inexpensive global pharmaceutical company. Kao Corp. is another very interesting company. Shares should rise another 15 or 20 percent.

Mr. Evillard: Fuji Photo Film Co. and Shimadzu Inc. shares. You really aren't paying much for dominant companies. Also, the property-casualty insurance companies in Japan. We don't have much to show for them so far but they do provide a portfolio of Japanese stocks at a deep discount.

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Growth forecasts seem to be coming down all over the place. It is best to be fully invested but very careful about where.

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SPORTS

Salo Gets His 4th Shutout

Victory Lifts Islanders to First-Place Tie

The Associated Press
With their leading scorer, Ziggy Priddy, a holdout, the New York Islanders still have some concerns about their offense. They have nothing to worry about as far as goaltending is concerned, however.

Tommy Salo has suddenly moved into the spotlight with his standout play.

NHL Roundup

making 21 saves as the Islanders, playing at home, beat the Montreal Canadiens by 4-0 Thursday night.

"I'm happy for the shutout, but the most important thing is that the team is winning," said Salo, who took over the NHL lead with his fourth shutout.

Salo has been a saving grace for the Islanders — particularly with the team engaged in a bitter contract war with Priddy. The victory moved the Islanders back up to .500 at 8-8-0 and into a first-place tie in the Atlantic Division with New Jersey and Pittsburgh.

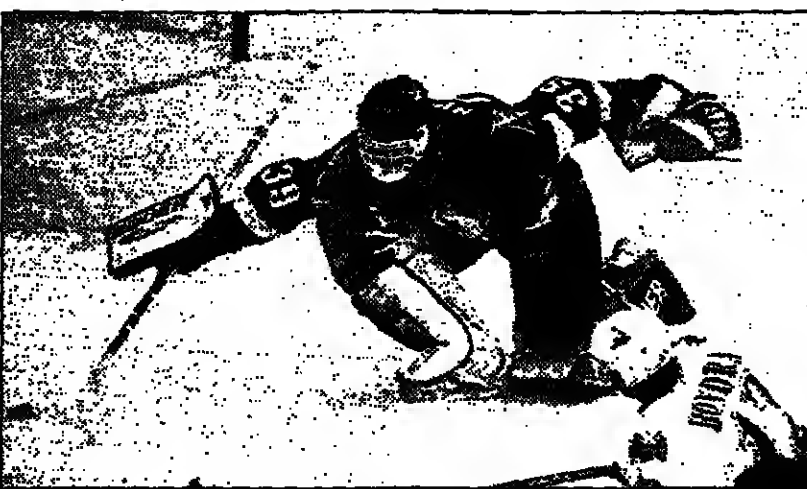
Martinez Czekawski scored his first

two goals this season, while Barry Richter and Robert Reichel also scored for the Islanders.

Sabres 2, Capitals 0 Dominik Hasek made 23 saves for his third shutout of the season, and Buffalo extended its unbeaten streak to seven games with a victory at home over Washington. Hasek, who has started and finished each of Buffalo's 13 games this year, recorded his 36th career shutout. Dixon Ward and Miroslav Satan scored for the Sabres.

Stars 3, Hurricanes 0 Mike Vernon stopped 20 shots for his 20th career shutout and Jeff Friesen scored twice as San Jose defeated visiting Carolina. For Vernon, it was his 334th victory, one behind Gump Worsley for ninth place on the NHL career list.

Panthers 2, Flyers 1 Mark Parrish scored two second-period goals and Kirk McLean made 39 saves as Florida won at Philadelphia, extending the Flyers' winless streak to seven games. Petr Svoboda scored the only goal for the Flyers, who outshot the Panthers, 40-15. Philadelphia's 0-5-2 streak matched its



The Sabres' Dominik Hasek making one of his 23 saves against Capitals.

longest winless streak since the 1994 team went 0-6-1.

Canucks 4, Flames 3 Bryan McCabe scored in his first game back after a contract dispute as Vancouver defense accounted for three goals in a road victory over Calgary.

Predators 3, Kings 1 Ville Peltonen and Sergei Krivokrasov each had a goal and an assist as the Predators, playing at home, beat Los Angeles for their fifth victory in seven games.

hawks winless in their last eight games.

Devils 3, Penguins 1 Ville Peltonen and Sergei Krivokrasov each had a goal and an assist as the Predators, playing at home, beat Los Angeles for their fifth victory in seven games.

49ers Beware: Falcons Are Tougher Than Ever

By Mike Freeman
New York Times Service

49ers (7-2) at Falcons (7-2) It's time to start taking these Falcons seriously. The team is off to its best start ever, has a 12-4 record in its last 16 games and has won seven of its past eight against the NFC West. Here is the dangerous part for the Falcons: The 49ers always dominate them. San Francisco has won five straight and has scored 30 or more points in 11 of its past 13 games against Atlanta. But

NFL Matchups

the 49ers are reeling. Their offensive line is in shambles and their quarterback, Steve Young, is still ailing from a groin injury. **Prediction: Falcons, 28-23.**

Bengals (2-7) at Vikings (8-1) This is one of those trap games for the Vikings. The Bengals, under Coach Bruce Coslet, have always been strong finishers. In 1995, they ended the year 4-2. The next season the Bengals finished 6-2, and last year 7-2. But Randall Cunningham gets the start, and the Vikings squeak by. **Vikings, 30-29.**

Dolphins (6-3) at Panthers (1-8) The Panthers have kept games close because of their quarterback, Steve Buehler, who is third in the NFC with a 91.7 rating. This game has upset written all over it. **Panthers, 17-14.**

Patriots (5-4) at Bills (5-4) Playing in Buffalo doesn't scare New England, which has won three of its past four there and seems to relish playing in front of the hostile Bills crowd. Basically, the loser of this game is out of the division title race. **Patriots, 18-14.**

Jets (6-3) at Colts (1-8) After Jets beat the Bills last week, Coach Bill Parcells started his campaign of disinformation with his players, saying that the Colts are a good team, that quarterback Peyton Manning is playing well, that this team shouldn't be taken lightly. Wrong. The Colts are a bad team. **Jets, 35-13.**

Eagles (2-7) at Redskins (1-8) The Eagles are beginning to build a little momentum. The team has been recently propelled by a defensive end, Hugh Douglas. He has a career-high 11 sacks. There is no reason to think he won't add a few more sacks against the Redskins. **Eagles, 15-12.**

Steelers (6-3) at Oilers (5-4) This promises to be one of the most bruising games of the year. These two teams met earlier this month, and the running back Eddie George embarrassed a good Pittsburgh defense by

running for 153 yards and one touchdown. In the NFL, there are very few times when one team has another, two weeks later does it again. **Steelers, 21-17.**

Rams (3-6) at Saints (4-6) Kerry Collins gets the start at quarterback, and his chance to save his career begins. And the New Orleans defense is playing well. **Saints, 14-7.**

Ravens (3-6) at Chargers (3-6) You know a team is in a desperate state when it benches the franchise quarterback, Ryan Leaf, for a backup who last year was 0-7. Craig Whelihan. The saving grace for San Diego has been the defense. **Chargers, 20-17.**

Seahawks (5-4) at Raiders (6-3) Quietly, one of the best quarterbacks in the league has been Donald Hallas. Donald Hallas? He replaced Jeff George three weeks ago and his play, combined with a defense that has allowed just two touchdowns in the last 10 quarters, means that Oakland's Jon Gruden is in the running for coach of the year. **Raiders, 17-15.**

Cowboys (8-1) at Cardinals (5-4) The Cardinals are over .500 for the first time since the football was invented. They are talking about how they have a chance to win the division. Next year, they will be good. This year, the NFC-East belongs to Dallas. **Cowboys, 24-17.**

Packers (6-3) at Giants (3-6) The Packers are an angry team. They aren't used to getting beat up on Monday Night Football like they were against Pittsburgh. So they will come into the Giants game with a giant chip on their shoulder. There is no way the Giants offensive line can contain the Packers' front four. **Packers, 41-17.**

Buccaners (4-5) at Jaguars (7-2) Tampa Bay plays well against the AFC, winning five of the past seven. But the Jaguars are one of the top five teams in the game and they've won 18 of their past 20 games at home. **Jaguars, 31-21.**

Bears (3-6) at Lions (2-7) Earlier this season, the Bears held Barry Sanders to just 28 yards rushing on 14 carries. Sanders will probably improve on those numbers, but not by much. The Lions have evolved into a bad team, a very bad team. **Bears, 10-6.**

Broncos (5-0) at Chiefs (4-5) The Broncos have a chance to become just the 16th team in NFL history to start 10-0, but they have to get by the Chiefs. It seems no matter how well the other team is playing, these hard-hitting and intense games are always close. Even Coach Mike Shanahan loses a few. **Chiefs, 34-31.**

A Big Game for Little Town on the Kansas Prairie

By Joe Drape
New York Times Service

MANHATTAN, Kansas — Their quarterback has been muzzled and their most decorated player is a 5-foot-9-inch Argentine-born kicker.

Their coach prefers chief executive officer-style power suits over the wampums sported by most members of his fraternity. He doesn't eat until midnight, when his workaholic day is over.

College Football

and he acts as if he would rather play the most important game in his program's history in an empty stadium, just the Kansas State Wildcats against the Nebraska Cornhuskers.

Instead, Bill Snyder and his K-State players have been found out.

The eyes of the college football world and the national television cameras turned to this windswept prairie town in the northeast part of the Sunflower State to see whether the Wildcats are the best team in the nation, as the coaches have voted, or a nice squad puffed up to 9-0 on a diet of nonconference rice cakes.

Everyone will know on Saturday afternoon, when Kansas State plays host to Nebraska, a team that already has two losses this season, but also holds a huge psychological advantage over the Wild-

cats: The Cornhuskers have beaten them 29 straight times.

"This is not a make-or-break game for this program," Snyder said. "If you lose, it means you're 9-1. If you win, you're still undefeated."

In a profession that finds comfort in clichés, Snyder, 59, fields questions the way Bill Gates gives Senate testimony: pointedly, defiant and utterly confident.

In fact, what Snyder has done for Kansas State is the college football equivalent of what the Microsoft chief did to the computer industry. Ten years ago, Snyder was the offensive coordinator at Iowa when Kansas State brought him in to do something, anything, for a program considered the worst in college football. The Wildcats were 3-40 in the four previous seasons, averaged about 20,000 in attendance — less than half of capacity — and had facilities worse than some junior colleges.

Snyder rebuilt, however, with attention to detail rather than inspired genius. He got his assistants' salaries doubled, offered to write a \$100,000 check to help fund a new football facility and insisted Wildcat football operate on a minute-to-minute schedule — practices, meetings, even pregame introductions.

"I believe we've got it to four and a half minutes," Snyder offered.

In his first season, 1989, Kansas State was 1-10. But the Wildcats are 7-2-1 since then, have won at least nine games

for six consecutive seasons, and have won 17 consecutive games — the nation's second longest streak, only one behind UCLA's 18.

Now, KSU Stadium is consistently sold out at 42,000-plus and soon will be expanded to 50,000 with 31 luxury suites.

"Coach is all about business," said Martin Gramatica, who is closing in on his second Lou Groza Place-Kicker Award, is an all-American and has kicked field goals from 55 and 65 yards. "He pays attention to things others don't think about. He wants us to do the same. I guess you can say we're efficient."

So far, the Wildcats have been dead-end efficient. They are ranked in the top 3 nationally in special teams and total defense. Their offense, led by the volatile and, by all accounts, combustible quarterback, Michael Bishop, averages 478.4 yards, 10th in the nation.

On a roster filled with good players you've never heard of, Bishop may be the greatest you may never hear from — at least this year. He has 10 rushing touchdowns and 18 touchdown passes against only one interception and is the nation's sixth most efficient quarterback.

One statistic, however, says more about Bishop's makeup and is responsible for the silence Snyder imposed on him after Kansas State's fifth game this season. Bishop is 44-1 as a starting quarterback, including two perfect sea-

sons capped by national championships at Blinn Community College in Texas. He is maniacally competitive.

Heading into the Colorado game in Boulder last month, Bishop publicly predicted a big day for Wildcat running back Frank Murphy, comments that the Buffaloes turned into bulletin-board fodder. Bishop proceeded to struggle through a 9-of-25 passing performance, throwing his only interception of the year, and the Wildcats barely escaped with a 16-9 victory. Worse, in the course of the night, Bishop berated himself and his teammates for their poor play. After the game, Snyder told him he could no longer talk with reporters.

Snyder does not apologize for making his leader unavailable, explaining matter-of-factly it is a distraction Kansas State doesn't need. His team, too, has taken on his businesslike character.

None of them were highly recruited — all of them have settled into the anonymity of this town of 43,000 at a school more renowned for its veterinary school than football.

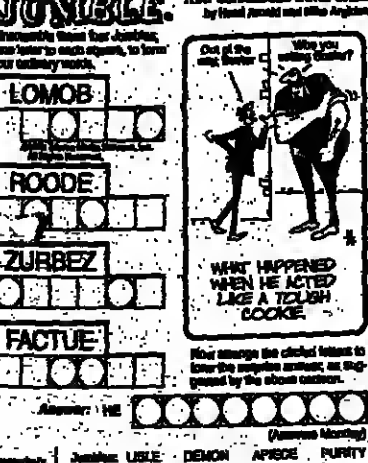
"Yeah, people don't know who we are and they question our schedule," said the wide receiver Darnell McDouald, referring to nonconference games against Indiana State, Northern Illinois and Northeast Louisiana. "But that isn't what it's about. We're just a bunch of fellas who came here to play for each other. We work hard and have unity."

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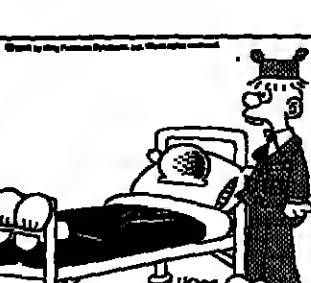
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DAVE BARRY

Bring on the Funnel!

MIAAMI — So this year, you agreed to host the big family Thanksgiving dinner. Congratulations! You moron!

No, seriously, hosting Thanksgiving dinner does not have to be traumatic. The key is planning. For example, every year my family spends Thanksgiving at the home of a friend named Arlene Reidy, who prepares dinner for a huge number of people. I can't give an exact figure, because my eyeballs become fogged with gravy. But I'm pretty sure that Arlene is feeding several branches of the armed forces.

And Arlene is not slapping just any old food on the table. She's a gourmet cook who can make anything. I bet she has a recipe for cold fusion. She serves moist, tender turkeys the size of Arnold Schwarzenegger, accompanied by a vast array of exotic hors d'oeuvres and 350 kinds of sweet potatoes made from scratch. I'm pretty sure Arlene threshes her own wheat.

If you were to look into Arlene's dining room at the end of Thanksgiving dinner, it would at first appear to be empty. Then you'd hear groans and burps coming from under the table, and you'd realize that the guests, no longer able to cope with the food and gravity at the same time, were lying on the floor.

Every now and then you'd see a hand snake up over the edge of the table, grab a handful of stuffing, then dart back under the table again, after which you'd hear chewing, then swallowing, then the sound of digestive organs rupturing.

Some guests have to be rushed by ambulance to the hospital, receiving pumpkin pie intravenously en route.

Ah, yes. Moist, tender turkeys the size of Arnold Schwarzenegger.

The question is: How is Arlene able to prepare such an amazing feast for so many people? The answer is simple: I have no idea. I'm always watching football when it happens. But my point is that, if you want to provide your guests with a delicious meal, one approach would be to go to Arlene's house and steal some of her food when she's busy churning the butter.

If you prefer to do your own cooking this Thanksgiving, your first step is to calculate how much turkey you need. Home economists tell us that the average 155-pound person consumes 1.5 pounds of turkey, so if you're planning to have 14 relatives for dinner, you'd simply multiply 14 times 1.5 times 155, which means your turkey should weigh, let's see, carry the two... 3,255 pounds. If you can't find a turkey that size, you should call up selected relatives and explain to them, in a sensitive and diplomatic manner, that they can't come because they weigh too much.

In selecting a turkey, remember that the fresher it is, the better it will taste. That's why, if you go into the kitchen of top professional homemaker Martha Stewart on Thanksgiving morning, you'll find her whacking a live turkey with a hatchet. In fact, you'll find Martha doing this every morning.

"It just relaxes me," she reports.

Your other option is to get a frozen turkey at the supermarket. The Turkey Manufacturers Association recommends that, before you purchase a frozen bird, you check it for firmness by test-dropping it on the supermarket floor — it should bounce three vertical inches per pound — and then take a core sample of the breast by drilling into it with a 3/4-inch masonry bit until you strike the giblets. If supermarket employees attempt to question you, the Turkey Manufacturers Association recommends that you "gesture at them with the drill in a reassuring manner."

Be sure to check that bird for firmness by dropping it on the floor.

"If you see spiders nesting in your turkey," states the Turkey Manufacturers Association, "you waited too long."

Once the turkey is defrosted, you simply cook it in a standard household oven at 138.4 degrees centimeter for 27 minutes per pound (29 minutes for married taxpayers filing jointly). Add four minutes for each 100 feet of your home's elevation above sea level, which you should determine using a standard household sextant. Inspect the turkey regularly as it cooks; when you notice that the skin has started to blister, the time has come for you to give your guests the message they've been eagerly awaiting: "Run!" Because you left the plastic wrapper on the turkey, and it's about to explode, spewing out flaming salmonella units at the speed of sound.

As you stand outside waiting for the fire trucks, you should take a moment to count your blessings. The main one, of course, is that you will definitely not be asked to host the big family Thanksgiving dinner next year. But it's also important to remember — as our Pilgrim forefathers remembered on the very first Thanksgiving — that an excellent omelet for a rock band would be "The Turkey Spiders."

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Tom Wolfe Lets His Red Dog Slip the Leash

By Peter Applebome
New York Times Service

NEW YORK — There was a moment after the salmon with Brittany sea salt at the pillow corner banquet at the Carlyle, after the triumphant stroll up Madison Avenue, where East Side matrons swooned like teenagers spying Leonardo DiCaprio, after the brief tour of the 12-room symphony of mahogany and double-beveled glass where he lives, when, out of the blue, Tom Wolfe sounded like a man ready to let his red dog slip its leash.

The unleashed red dog in Wolfe's new novel, "A Man in Full" (Farrar, Straus & Giroux), is a metaphor for breaking out of type, taking a mad dash on the wild side, as the novel's cautious hanker Raymond Peepgass does in cooking up a felonious get-rich scheme.

So it seemed so un-Wolfean as to be almost Wolfean when he began preaching the virtues of teaching his son to hunt, sounding like some old boy in muddy fatigues contemplating the apocalypse in Val-dosta or Spartanburg.

"The day will come, inevitably, maybe it's the Y2K, when only the grandmothers will have the skills to deal with life on another basis: no computers, hunting for food," he said. "It's not going to happen anytime soon, but it could happen. What if two weeks from now the food supplies were all cut off? People are throwing their hands in the air, saying 'This can't happen! Where's my congressman?' And it turns out he's out in the woods somewhere."

The vision emerges like a scene from a bad Tom Wolfe parody: the author in his trademark cream-colored double-breasted serge suit and matching vest, his two-tone shoes and white cotton handkerchief with brown selvedge design, his silver hair shockingly tousled and his blue eyes bloodshot, lurching up Fifth Avenue past the Pierre

with a shotgun in search of who knows what for dinner. Wild turkey! Brown bear!

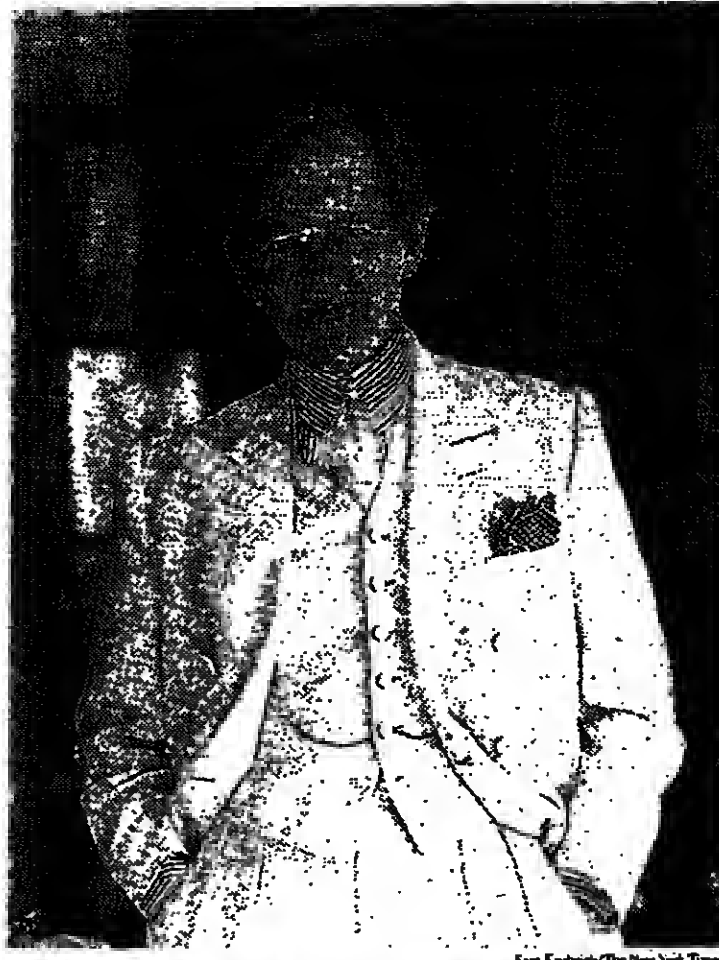
Aside from this one digression, he played relentlessly to type, modest, soft-voiced and unfailingly polite ("Shall we take the air?" he inquired as he finished his coffee), like the refined Richmond boy he still is at heart.

But if his red dog tends to run loose in his writing and not, not publicly anyway, in his life, "A Man in Full" presents an intriguing window for looking beneath Wolfe's familiar urban-dandy exterior.

In the book, his second novel, Wolfe goes south to the plantations, bank towers and strip malls of Georgia and particularly the wealthy Atlanta of the leafy, sumptuous Buckhead neighborhood, where "the lawns rose up from the street like high green breasts." It is also, in many ways, a trip home for Wolfe, who grew up the grandson of a Confederate soldier in Richmond, went to school at the Southern gentleman's redoubt at Washington and Lee University, and whose dress, manners, work and worldview bear the unmistakable mark of the South's most aristocratic state.

Thomas Kennerly Wolfe Jr. was born in 1930 into an old Virginia family at a time when the Civil War was still as much a part of Richmond as the Confederate statues on Monument Avenue. His father, whose Virginia roots go back to 1710, was an odd Southern hybrid of agronomist, teacher and businessman who taught at Virginia Polytechnic Institute, edited a publication called The Southern Planter and ran a company, Southern States Cooperative, that became a Fortune 500 company. His mother, Helen Perkins Hughes Wolfe, came from an old Virginia family as well.

And Wolfe grew up with a sense of entitlement so profound that each night when he got down on his knees to pray, he began by thanking God for the miraculous gift of his place of birth.



Wolfe's book offers a look beyond the familiar urban dandy.

Wolfe strayed from the steamy Eden of his youth, but his friends say that to understand his work — the (dare one say?) cavalier detachment from the passing parade: the acerbic skewering of most elements of modernism from art to architecture; the conservatism about politics, art and race; the withering disdain for what he calls the "intellectual elite" of liberal Manhattan — one need only think of Wolfe not as

dandy or New Journalist or satirist, but as Virginian.

"It's what he's all about," said Ed Hayes, a Manhattan lawyer who says he is the model for Killian, the defense lawyer in Wolfe's first novel, "The Bonfire of the Vanities." "Tom doesn't talk about this stuff publicly, but he has this Scotch-Irish sense of honor, of duty, of family, about masculinity. He's the grandson of a Confederate rifleman and grew up with

the sense of the Lost Cause; of glorious doomed charges at Gettysburg; of a sense of personal honor and what constitutes masculinity that has largely been rejected by the urban intellectual elite of the Northeast."

Of course, one person's noble lost cause is another's slaughterhouse over slavery. And Wolfe clearly sees the South more as something that shaped him than as something he is unduly taken with today. Despite his claim to being taken with Atlanta's "hypomaniac" business culture and incessant chatter about being world-class, what he seems to like best about the South is what used to be there, like the view from his Richmond window or the seemingly genetic grace and courage of his mostly Southern flyboys in "The Right Stuff."

While some readers have portrayed the book as a devastating evisceration of Atlanta's New South pretensions, he insists his only agenda is getting it right: from real-estate machismo to stud-farm machismo, from the delicate negotiations of race to the latest trophy-wife fashions.

It was probably inevitable that Wolfe, after 11 years of work sandwiched around a 1996 heart attack that almost killed him, preferred to see the book as a triumph of craft rather than a grand vessel of significance.

After all, he has been preaching the gospel of artful, imaginative reporting as high art — fiction or nonfiction — since the 1960s. Critics can argue over whether he is a modern Dickens, Balzac or Zola or merely the possessor of perhaps the whitest, most merciless, reportorial eyes of his time. But his second novel at least validates him as a player in both the New Journalism and the old fiction.

"It's probably foolish to say this, but I feel more fireproof now than I ever did," he said. "What's the old song? 'They Can't Take That Away From Me'? It's how I feel."

PEOPLE

ABOUT 2,000 mourners turned out Friday to bid farewell to Jean Marais, one of France's most beloved actors, who was buried in a simple cemetery on the French Riviera. The voice of Marais, who died Sunday at age 84, resounded through St. Anne church, where village friends and actors paid tribute: "Give up! Let go! Life is dead! Long live life!" Spoken by Marais in the prime of his long career, the words were penned by his longtime companion, the surrealist artist and poet Jean Cocteau, who died in 1963, and replayed at the service. "Having entered into the realm of poets, heroes and sacred monsters, he gave more than 60 years of his life to the theater and the cinema," Culture Minister Catherine Trautmann said in a tribute to a man she described as "inspired, passionate and rigorous." Among the mourners were the actors Jean-Paul Belmondo and Michele Morgan, and local artists and friends. Marais was buried in the cemetery of Vallauris, where he spent the last years of his life learning sculpture and ceramics.

MTV Europe viewers picked the Spice Girls for the second time in a row as best group of the year at the celebrity-laden fifth annual MTV Europe music awards held in Milan. The Spice Girls beat out All Saints, Backstreet Boys, Beastie Boys and Garbage for the best group award. They also won the award for best new pop album. Robbie Williams woo for best male singer, and Madonna picked up the award for best female singer.

A self-portrait by Jean Michel Basquiat that depicts the

artist at 21 holding a spear in his left hand, his masked face drawn flat, brought a staggering \$3.3 million at Christie's sale of contemporary art, a record for the 1980s graffiti artist. Five bidders fought for the painting, with its dramatic gray and black brush strokes, driving the price to more than five times its high estimate of \$600,000. The winner, who bid by telephone, was identified only as an anonymous collector.

Peter Arnett is returning to the airwaves, four months after nearly losing his job in the fallout over CNN's retracted story about nerve gas use in Vietnam. Arnett has filmed six reports on the civil war in Algeria, which are due to air soon. "It was mutually agreed that we needed to let some time pass and find some appropriate stories for him to cover," a CNN spokesman said. Arnett has not been on CNN since a follow-up report in June on Operation Tailwind. He narrated CNN's original Tailwind story in May that alleged U.S. forces used the deadly gas sarin in a 1970 mission to hunt down defectors in the Vietnam War. The story angered the military, and CNN concluded that the story could not be proved.

Paul McCartney said he will dedicate his honor from the Rock and Roll Hall of Fame to his late wife. The former Beatle is to be inducted into the Hall of Fame as a solo artist. He is already in the hall as a member of the Beatles. "I am very excited and honored," McCartney said. "Rock and roll has played a huge part in my life and in that of my lovely Linda — so this one's for her." Linda McCartney died of breast cancer in April.



Jean Marais's adopted son, Serge, and other mourners watch as the actor's casket is taken for burial.

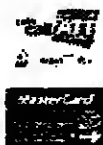


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